

## Corporate Philosophy

Engage in sincere and fair business activities to secure appropriate profits and promote steady growth, appropriately compensating our stakeholders while contributing to the realization of an affluent and sustainable society.

---

## The Three Principles of Mitsubishi's Business Management Philosophy

The Mitsubishi Sankoryo is a managerial creed articulated by the fourth president of the Mitsubishi organization, Koyata Iwasaki. The Sankoryo serves as a basic philosophy of an internally and externally open group being shared by the constituent Mitsubishi Group companies that are independent from each other.

### **“Shoki Hoko”**

Corporate Responsibility  
to Society

Strive to enrich society, both materially and spiritually, while contributing toward the preservation of the global environment.

### **“Shoji Komei”**

Integrity and Fairness

Maintain principles of transparency and openness, conducting business with integrity and fairness.

### **“Ritsugyo Boeki”**

Global Understanding  
through Business

Expand business, based on an all-encompassing global perspective.



## ■ Editorial Policy

With a particular focus on presenting the ESG Management and SDG initiatives taken by the Mitsubishi Logistics Group, this fiscal 2023 Integrated Report includes messages from the new president and new accounting officer, as well as a dialogue with outside directors.

Moreover, we provide updates of the History of Value Creation, At a Glance, and Value Creation Process sections of the Report as well as comprehensive details of initiatives aimed at resolving social issues through business activities based on the MLC2030 Vision in an easy-to-understand manner.

### Boundary of the Report and Reporting Period

Boundary of the Report:	The Report covers Mitsubishi Logistics Corporation (the "Company") and Group companies.
Reporting Period:	April 1, 2022 to March 31, 2023. (To ensure comprehensive disclosure, however, certain relevant information regarding events that occurred prior to and/or after this period has been included.)

### Publication Date

September 2023  
(Previous publication date: September 2022/Next planned publication date: September 2024)

### Reference Guidelines

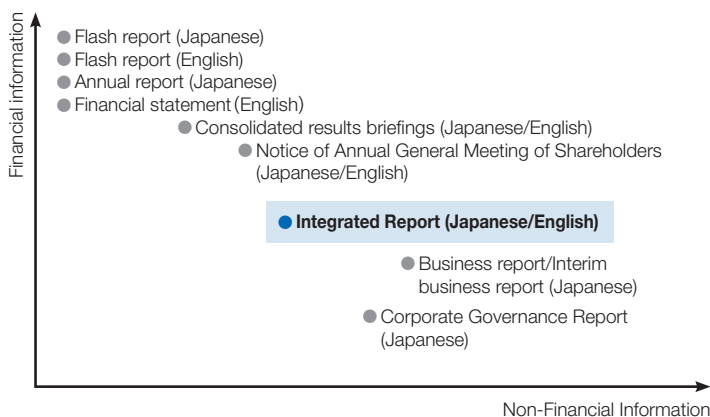
- Ministry of the Environment: Environmental Reporting Guidelines (Fiscal 2018 Version)
- Global Reporting Initiative (GRI): Sustainability Reporting Guidelines (GRI Standards)
- IIRC (International Integrated Reporting Council)
- Ministry of Economy, Trade and Industry: Guidance for Collaborative Value Creation



### Contacts for Inquiries Regarding the Integrated Report

Sustainability Promotion Team, Sustainability Promotion Division,  
Mitsubishi Logistics Corporation  
Nihonbashi Dia Building, 19-1, Nihonbashi 1-chome, Chuo-ku,  
Tokyo 103-8630, Japan  
TEL: +81-3-3278-6451 FAX: +81-3-3278-6694  
E-mail sustainability@mitsubishi-logistics.co.jp

### Tool Map



[Web](#) You may view various data and the reference table for Global Reporting Initiative (GRI): Sustainability Reporting Guidelines (GRI Standards) on Mitsubishi Logistics' Web site.

"Extended Version"

HOME ▶ Sustainability ▶ Integrated Report ▶ Extended version

"GRI Guidelines reference table"

HOME ▶ Sustainability ▶ Integrated Report ▶  
Reference table for GRI guideline

## Contents

### Introduction

Editorial Policy, Tool Map, and Contents	1
History of Value Creation	2
At a Glance	4

### Vision and Strategy

Top Message	6
Message from the Accounting Officer	12
Value Creation Process	16
Introduction of Businesses	18
MLC2030 Vision/Management Plan	22

### Initiatives for Each of the Six Key Themes

Measures to be taken, performance indicators, and target values	28
〈Initiatives for Each of the Six Key Themes〉	
Safety, Security, Disaster Response	30
Environmental Initiatives	32
Cutting-Edge Technology, Innovation	38
Partnerships	40
Human Resource Development/Employee Satisfaction	41
Compliance, Human Rights, Gender	49

### Providing Customer-Oriented High-Value-Added and High-Quality Services

Quality control and improvement	50
---------------------------------	----

### Crisis Management Countermeasures Underpinning Safety and Security

Strengthening Risk Management and Information Security	52
--	----

### Value-Creation Infrastructure

Dialogue with Outside Directors	54
Organizational Governance (Corporate Governance)	60
Introduction of Officers	64
Risk Management	66
Initiatives for Maintaining and Strengthening the Compliance System	68
Initiatives for Improving Compliance Awareness/ Initiatives for Communication with Stakeholders	69

### Social Contribution Activities

Contributing to Local Communities and International Society	70
---	----

Financial Summary	74
Statement Supporting the UN Global Compact	76
Company Profile and Stock-Related Information	77

# History of Value Creation

We have expanded our business domains globally to include warehousing, transportation, and real estate, weaving a history of value creation by c

External environment

1920~

- The Great Kanto Earthquake
- World War II ends

1945~

1960s~

- Rapid economic growth

1970s~

- Oil Shock

Expanded the Warehousing and Distribution Business  
Launched the Port and Harbor Transportation Business

Launched the Real Estate Business  
Clarified the Company's management policy

Promoted management diversification  
Engaged in full-scale International Transportation Business operations

Put in place domestic business infrastructure

1907



1907  
Wada Terminal, Kobe

Completed an integrated land and sea cargo handling facility for shipping freight at Kobe Port (later the Port and Harbor Transportation Business).



Constructed a pier to smoothly link land and sea transport, and engaged in full-scale terminal development and enhancement.

1920~



Thoroughly modernized warehouse facilities in a move away from small-scale and inefficient operations.



1930  
Former Edobashi Warehouse Building



Met growing demand for warehouses with earthquake- and fire-resistant features.

1960~



Constructed a distribution center dedicated to specific customers.

1968



Decided to expand the Logistics Business and enter the Real Estate Business based on three major policies: emphasis on profitability, transformation into a comprehensive logistics business, and efficient real estate management.



Constructed the Tokyo Dia Building. Operated a rental building for computer-processing centers.

1973~  
Tokyo Dia Building

1970~



Started terminal operator operations for full container vessels.



Accelerated globalization.

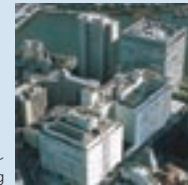
1973



Established the International Affairs Department (development, transport), and undertook full-scale expansion of international integrated transport operations.



1970s Mitsubishi Logistics America Corporation, (New Jersey)



- 1887 Established as Tokyo Warehouse Limited Company, headquartered in Fukagawa, Tokyo, after absorbing the warehousing business from Mitsubishi Company (founded in March 1880).
- 1893 Reorganized the Company and changed the name to Tokyo Warehouse Co., Ltd.
- 1918 Changed name to Mitsubishi Warehouse Co., Ltd.
- 1931 Inaugurated Japan's first trunk-room service in Edobashi (present-day Nihonbashi), Tokyo.

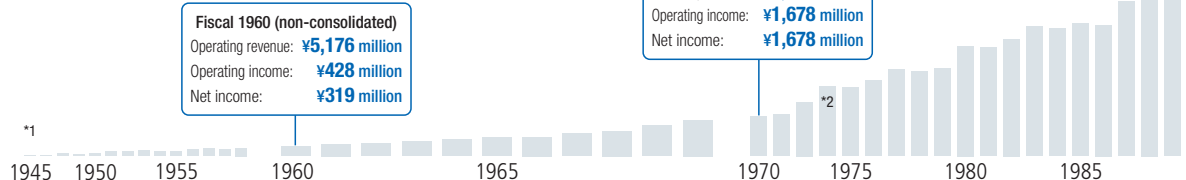
- 1962 Constructed a multi-purpose rental building for data centers, warehousing rooms and residential units in Fukagawa, Tokyo.

- 1970 Established a warehousing company in California, U.S.
- 1971 Began terminal operator operations for full container vessels at Port Island in Kobe. Made a full-scale entry into the air freight business.
- 1981 Subcontracted operations at Daikoku Pier in Yokohama.
- 1984 Established a transportation company in Singapore.
- 1986 Subcontracted operations at Oi Pier in Tokyo.

Subtopics

## Operating revenue

- \*1 Fiscal 1945-1986 data prepared from Company history
- \*2 The Company shifted to a one-year accounting period from the 173rd fiscal year following the revision of the Commercial Code of Japan in 1974. Prior to that, figures are the sum of two fiscal periods.
- \*3 Consolidated figures since fiscal 1999 (fiscal year ended March 31, 2000), when disclosure of consolidated financial statements became mandatory.



# ing and distribution, port and harbor transportation, international contributing to society and our customers.

Warehousing and Distribution Business/  
Overland Transportation Business

Port and Harbor  
Transportation Business

International  
Transportation Business

Real Estate  
Business

Others

## 1990s~

- Collapse of Japan's bubble economy
- Great Hanshin Awaji Earthquake
- Lehman Shock

## 2010s~

- The Great East Japan Earthquake
- Adoption of the Paris Agreement
- COVID-19

**Strengthened comprehensive logistics services**  
Shifted to High value-added and high quality of services

**Strengthened solution services**

### Expanded global network

1992

- Built high-performance warehouses at each branch (approximately 83,000 m<sup>2</sup>) and declared the first year of our warehouse remodeling.



1990s Chuo Futo Warehouse in Fukuoka  
1990s Oi Sales Office in Tokyo

1996

- Changed English name to Mitsubishi Logistics Corporation in a bid to provide comprehensive logistics services.

- Proactively expanded pharmaceuticals handling and put in place pharmaceuticals logistics infrastructure.



1996 Tokyo Branch  
Yashio Sales Office  
Yashio Distribution Center

- Expanded container terminal operations.

2007

- Upgraded Kobe Harbor Land rental commercial facilities.



2006 Opened Yokohama Bay Quarter in Kanagawa.

- Participated in public-private partnerships (PPP).

2010

- Turned Fuji Logistics Co., Ltd. and its 10 subsidiaries into our consolidated subsidiaries in order to enhance 3PL and services in the electric, electronics, precision equipment, and semiconductor fields.

2011

- Established DP-Cool and room-temperature GDP transportation\* provided by Dia Pharmaceutical Network Co., Ltd. Began developing temperature-controlled pharmaceuticals delivery service.

2012

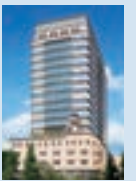
- Won first place in the world for container terminal cargo handling efficiency at the Minamihonmoku Distribution Center in Yokohama.



- Disaster-Resistant and Eco-Friendly Warehouse**  
Completed Ibaraki Distribution Center No. 3 in Osaka, the first Disaster-Resistant and Eco-Friendly Warehouse. Constructed other Disaster-Resistant and Eco-Friendly Warehouses in several domestic areas since then.

2014

- Disaster-Resistant and Eco-Friendly Office Building**  
Completed Nihonbashi Dia Building. Rebuilt the warehouse building (head office, trunk room) owned in Edobashi, Tokyo, and constructed a Disaster-Resistant and Eco-Friendly Office Building.



2017

- Disaster-Resistant and Eco-Friendly Warehouse**  
Completed the MM2100 Distribution Center in Indonesia as the first overseas Disaster-Resistant and Eco-Friendly Warehouse.



2021

- Opened "SharE Center misato" in Misato City, Saitama Prefecture.



2022

- Commenced ML Chain operations.

**Fiscal 2022 (consolidated)**  
Operating revenue: **¥300,594 million**  
Operating income: **¥23,027 million**  
Net income: **¥27,226 million**

- 1992 Constructed rental facilities, including retail facilities and office buildings, at Harborland, Kobe. Began operations at Daikoku C-3 Container Terminal in Yokohama.
- 1993 Established Mitsubishi Logistics Indonesia.
- 1995 Established a transportation company in the Netherlands.
- 1996 Established Shanghai Linghua Logistics Co., Ltd.

- 2011 Established MLC ITL Logistics Company Limited in Vietnam.
- 2012 Established Mitsubishi Logistics China Co., Ltd. Acquired Shanghai Qingke Warehouse Management Co., Ltd. through the aforementioned.

**Fiscal 1992 (non-consolidated)**  
Operating revenue: **¥124,440 million**  
Operating income: **¥10,788 million**  
Net income: **¥7,160 million**

**Fiscal 1999 (consolidated)**  
Operating revenue: **¥153,178 million**  
Operating income: **¥11,200 million**  
Net income: **¥5,815 million**

**Fiscal 2010 (consolidated)**  
Operating revenue: **¥175,879 million**  
Operating income: **¥12,164 million**  
Net income: **¥6,973 million**

**Fiscal 2020 (consolidated)**  
Operating revenue: **¥213,729 million**  
Operating income: **¥11,735 million**  
Net income: **¥39,160 million**

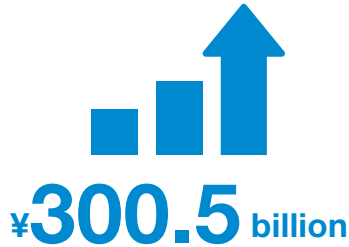
- 1998 Realigned overseas organizations.
- 1999 Made a full-scale entry into the refrigerated warehouse business.
- 2001 Undertook seismic isolation work at buildings 1-4 at Tokyo Dia Building. Began operations at the Minamihonmoku Pier Terminal in Yokohama.

- 2013 Opened Kobe Harbor Land umie. Started leasing the Osaka Nanko C-9 Container Terminal. Established P.T. Dia-Jaya Forwarding Indonesia.
- 2014 Leased Mitsubishi Logistics America Corporation warehouses in Los Angeles.
- 2019 Completed Seishin Distribution Center Phase 2 Building in Kobe.
- 2021 Formed a partnership with Cryoport, Inc. (U.S) for regenerative medicine supply chain. Formed business alliance with OnAsset Intelligence, Inc. (U.S.) (visualization solution for international transportation).
- 2022 Formed capital and business alliances with K.R.S. Corporation, Cryoport, Inc. and others. Formed a capital and business alliance with Rapyuta Robotics Co., Ltd.

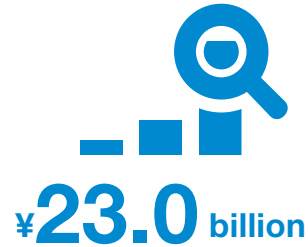
1990 1995 2000 2005 2010 2015 2020 (FY)

Financial Items

Operating revenue



Operating income



Value-creation Infrastructure

Network

Number of Mitsubishi Logistics Group companies



**67** companies

(Subsidiary Companies 52 companies/Affiliated Companies 15 companies)

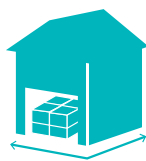
Number of logistics bases worldwide



Total **140** bases

(Japan 90 bases/Major overseas cities 50 bases)

Warehouse area



Approximately **1.17** million m<sup>2</sup>

Real estate floor area



Approximately **1** million m<sup>2</sup>

*Human resources who are the source of value creation*

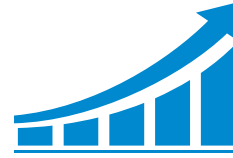


### Overseas sales ratio



**21.5%**

### ROE (return on equity)



**7.8%**

## ESG

### Cumulative number of Disaster-Resistant Eco-Friendly Warehouses



**11 facilities**

(Floor area approximately 0.33 million m<sup>2</sup>)

### CO<sub>2</sub> emissions per revenue



**0.184 t-CO<sub>2</sub>/million yen**

-19.8% (versus FY2021)

CO<sub>2</sub> emissions -6.4% (versus FY2021)

### Number of employees (Consolidated)



**4,708**

### Ratio of new employees retained after three years



**92.2%**

(New graduates who joined the Company on April 1, 2020 and remained in the Company's employment as of April 1, 2023)

### Number of male employees using general care leave system



**43%**

### Number of people who received compliance education



**9,297**

(Number of people who received compliance education Group-wide)



The Mitsubishi Logistics Group focuses on global environment-friendly activities and engages in sincere and fair business activities, contributing to the realization of an affluent and sustainable society.



**Hidechika Saito**

Representative Director  
and President

**The MLC2030 Vision**

Contributing to the improvement of customer value, we offer comprehensive logistics solutions to the management of customers' supply chains, from procurement to distribution/sales, as their partner.



---

## Accelerating Our Transformation as We Advance to the Next Stage

### Introduction

Now in the position to oversee all of the Company's business operations since assuming the office of representative director and president in April 2023, my views are completely different from before my appointment. Once again, I feel the weight of ultimate responsibility for the Company.

Mitsubishi Logistics celebrates its 137th anniversary this year. While cherishing the wealth of assets we have accumulated over our long history, including the experience and relationships of trust with our customers, we have undertaken a succession of changes in response to the times. However, in this era of dramatic changes in the external environment, we recognize the need to ramp up and accelerate our transformation endeavors.

---

## What We Hope to Convey

### Thoughts on the MLC2030 Vision

The Mitsubishi Logistics Group has contributed to the creation of an affluent and sustainable society through its Logistics Business with a focus on warehousing and its Real Estate Business. Going forward, the Group put in place its MLC2030 Vision in 2019 to ensure that we continue to engage in customer-oriented operations and become an innovator in future society.

This vision was born from management's sense of crisis that the Group was not adequately responding to the drastic changes in the business and management environment in which it had been operating well prior to its announcement. The MLC2030 Vision lays out the course to be taken as the entire Group embarks on a powerful transformation. My primary mission is to accelerate this transformation process and bring the MLC2030 Vision to fruition.

### Lessons from the COVID-19 Pandemic

The Group has overcome a host of difficulties over its long history. As a company that supports critical social infrastructure in the form of logistics, while fulfilling an essential function, we have worked diligently to support our customers' businesses and people's lives, particularly throughout the COVID-19 pandemic. In light of this proven track record, I am confident that society has once again recognized the importance of logistics and highly values our services.

In overcoming the pandemic, we have also reaffirmed the critical need to maintain and develop our business together with employees while confronting head-on social issues irrespective of changes in the external environment.

### What Comes from Diverse Human Resources

Diverse human resources are essential to driving change and creating innovation. The combination of diverse people with disparate perspectives and ideas provides the seeds for innovation.

With this in mind, we recognize the need to create an environment in which women can play an even more active role and men can more easily take child-care leave.

While posted to Shanghai, China from 2012 to 2018, I saw first-hand the efforts of local staff to proactively put forward proposals in response to various requests from Chinese customers. These endeavors were greatly appreciated by customers and contributed to improved business performance. Without the energy and vitality of local staff, it is highly unlikely that the Company would have been able to address the needs of our Chinese customers or ascertain the services they demand.

I firmly believe that innovation is the driving force behind the Company's sustainable growth. To this end, it is critical that we foster an organizational culture that respects the broad values created by diverse human resources and allows each individual to maximize his or her individuality and abilities.

### Progress on the MLC2030 Vision

#### Second Stage Management Plan (2022-2024) Off to a Steady Start

The Group's medium- to long-term vision is to offer comprehensive logistics solutions to the management of customers' supply chains, from procurement to distribution and sales, as their partner by focusing primarily on contributing to the improvement of customer value. The MLC2030 Vision is the cornerstone of our management strategy to achieve this goal.

Under this vision, we put in place a three-year plan, starting in 2019, as a first stage to lay the foundation. Over this period, we steadily implemented key measures set forth in the management plan, including the opening of a distribution center for e-commerce, which is expected to grow significantly in the future, and the strengthening of our food and pharmaceutical transportation system through partnerships.

In the second stage, we have been focusing on efforts to improve business profitability, expand overseas business, and develop high-value-added services using cutting-edge technologies since fiscal 2022. Looking back on the Group's performance over the first year, operating income increased 26.9% compared with the previous fiscal year due to the favorable external environment, including trends in foreign currency exchange rates and higher unit freight rates for international transportation. We are seeing the effects of measures to improve profitability, mainly in the Logistics Business, steadily materialize.

#### The Medical/Health Care and Food/ Beverage Fields

We are placing the highest priority on the medical and health care sectors. The Group commenced pharmaceutical distribution center operations during the 1980s. In addition to establishing Dia Pharmaceutical Network Co., Ltd. as a specialized transportation company to further strengthen our pharmaceutical distribution center business, we bolstered efforts to transport pharmaceuticals safely and securely through various measures, including the launch of DP-Cool, a delivery service that complies with Good Distribution Practice (GDP) guidelines for pharmaceuticals. Moreover, based on the know-how cultivated through DP-Cool, we have developed DP-Green, a GDP-compliant delivery service for room-temperature pharmaceuticals, which we began offering in 2022.

Over and above the aforementioned, the Group is strengthening the development of logistics services targeting regenerative medicine and biopharmaceuticals, which require ultra-low-temperature storage. We will enhance quality in the medical and health care domains, and at the same time, vigorously take on the challenge of entering the advanced medical field, which is expected to grow.

Meanwhile, in similar fashion to the pharmaceutical sector, food and beverages fall within the daily necessities field. As such, this is an area in which the Group can greatly demonstrate its strengths in terms



of safety and security. The Group has continued to independently expand the distribution of food and beverages in Japan, using refrigerated warehouses in various locations as bases while initiating business alliances with operators with strengths in transportation. As a result, the synergy between these two endeavors will dramatically strengthen and expand the cold chain network, and is expected to make a significant contribution to the Group's profitability.

## The Machinery/Electrical Machine and New Materials Fields

In the machinery and electronics field, we aim to grow our automotive-related Logistics Business. CASE has become a representative trend in the automotive industry in recent years. Against the backdrop of continued technological innovation and growing efforts to reduce environmental impact worldwide, the automotive industry is undergoing a period of structural transformation and the supply chain is experiencing major changes. Under these circumstances, the development and sales of EVs is expanding significantly.

In January 2023, Mitsubishi Logistics concluded a business outsourcing contract with the Japanese subsidiary of an overseas EV manufacturer for the logistics function of finished vehicles and parts. As a part of this initiative, we opened the Pre-Delivery-Inspection (PDI) Center at Daikoku Pier at the Port of Yokohama. In the passenger car business developed by overseas EV manufacturers in Japan, we engage in the full gamut of activities from vehicle arrival at the port of entry to maintenance, domestic transportation, storage of aftermarket parts, and nationwide delivery.

Since receiving this order for outsourcing services from an overseas EV manufacturer, inquiries related to EV logistics have increased. Moving forward, we will continue to accumulate know-how to address the demand for logistics services by the automotive industry in the new era, both here in Japan and overseas.

In the areas of new sustainable materials, we are working to expand our business by providing comprehensive logistics services, focusing on materials where growth is expected, including high-performance composite materials and materials for manufacturing semiconductor devices.

## Expanding Overseas Business

The downturn in Japan's population attributable to its declining birthrate and aging population is expected

to negatively impact the volume of logistics handled over the medium to long term. In light of this trend in its operating environment the Mitsubishi Logistics Group has adopted a Global Grid Strategy in a bid to expand its overseas business. Guided by this strategy, we are building a structure and systems that can help optimize customers' global supply chains.

We have identified the medical/health care and food/beverage fields as priority areas in our overseas business and are vigorously expanding partnerships to strengthen our structure. In the medical/health care field, plans are in place to acquire an equity interest in the Cavalier Logistics Group, a company based in the U.S. that has established an advanced supply chain for biopharmaceutical logistics mainly in the United States and the United Kingdom. Mitsubishi Logistics has fostered a long-standing and successful partnership with the company, and participation in the group through the acquisition of shares will enable us to provide services that take advantage of significant global scale.

The ASEAN region is also a target of our overseas expansion aspirations. We are also looking to grow our business throughout the Indochina Peninsula. To this end, we will partner with In Do Trans Logistics Corporation, a company that engages mainly in cold chain logistics. In specific terms, we will strengthen sales capabilities while combining the know-how and customer bases of both companies.

The key to cold chain success in ASEAN countries is aggressive investment, including the development of logistics infrastructure. Notwithstanding improvements in living standards in ASEAN countries, which continue to enjoy remarkable economic growth, the development of low-temperature logistics infrastructure lags in comparison. Encouraged by the Japanese government, Japanese logistics companies are currently engaged in the export of Japanese-style cold chain system. With the need to address a variety of social issues, including food safety and the reduction of food loss, very much in mind, the Mitsubishi Logistics Group will contribute to improving customers' supply chains.

## Port and Harbor Transportation Business

In the Port and Harbor Transportation Business, we will work to further improve the quality of service to our customers' shipping companies and solve problems that we have not been able to handle in the past. At the same time, we will improve profitability by promoting efficiency.

We are confident that our high-quality port and harbor transportation services have been well received by customers. This reflects the Group's

long-standing track record in container terminal operations and efforts to improve cargo handling efficiency. Looking ahead, we will continue to improve service and work efficiency and strengthen our customer base.

### Real Estate Business

In the Real Estate Business, we are focusing on real estate development that does not depend on land ownership, a longstanding unresolved issue. Most recently, there has been a certain amount of progress in the Kobe Sannomiya redevelopment project as well as the redevelopment of Suma Aqualife Park and Seaside Park. While these two projects also utilize partnerships with real estate companies, we will continue to accumulate know-how to strengthen our developer function.

As far as real estate development is concerned, we are promoting the supply of Disaster-Resistant and Eco-Friendly Office Buildings. The Group has experienced major damage to its business infrastructure due to past large-scale disasters, including the Great Kanto and Great Hanshin Awaji earthquakes, the lessons of which are deeply ingrained. Against the backdrop of frequent localized natural disasters in addition to earthquakes, we will enhance the safety and security of our stakeholders by promoting resilient development while leveraging our experiences with disasters gained in the past.

### Accelerating DX

Mitsubishi Logistics is promoting the development of high value-added services by utilizing cutting-edge technology in its efforts to realize the MLC2030 Vision. In addition to existing customers, we are

working with external partners through investments in venture capitals (VCs), including the BizTech Fund, and direct investments in startups to strengthen development capabilities and create innovation. To further promote this initiative, we have established a CVC of ¥5 billion. Our goal is to cultivate new businesses in the logistics, real estate, and peripheral areas by working more closely with startups through the CVC.

To improve efficiency and sophistication of logistics operations and facility management, we are introducing optimal digital technology (including AGVs, automated forklifts, and shelf-transport robots) at logistics sites, using robots to improve work efficiency and optimize the number of personnel, and fine-tuning the allocation of cargo and personnel through the use of AI. In e-commerce logistics operations, we opened “SharE Center misato,” a distribution center for e-commerce in 2021. This Center is equipped with automated delivery robots and a warehouse management system (WMS) that specializes in e-commerce logistics. Located in Misato City, Saitama Prefecture, in the suburbs of central Tokyo, the largest consumption area in Japan, this Center will support the distribution of a wide variety of products.

In our efforts to develop logistics platform services, “ML Chain” commenced operations from 2022. ML Chain is designed to help visualize pharmaceutical logistics across the entire supply chain in real time, thereby achieving a higher level of quality control. By providing value-added services that surpass anything the Group has offered to date, we are endeavoring to achieve a high level of quality control and sustainable logistics.

---

## Human Capital Management Initiatives

### The Need for Organizational Culture Reform

Looking back on our history, we have continued to stand at the forefront of the industry, taking on new challenges ahead of our peers. For example, we were one of the first warehousing companies to engage in the redevelopment of real estate redevelopment and international transportation. We have also developed trunk room services to store household goods and artwork.

Having said this, the pioneering spirit of our predecessors has seemingly waned as a defensive posture has crept increasingly into our corporate

culture. If we continue to follow precedents, we run the risk of becoming stagnant. With this in mind, I recognize the critical need to take the initiative if we are to address the rapidly changing needs of society and customers. My goal is to create an organizational climate in which employees can freely express their opinions, think on their own, and work independently.

### Promoting Human Capital Management

One of the directions the Group should take is to provide high value-added logistics services. To this end, human resources are a wellspring for creating



new services and value for customers. I believe that education is extremely important in the development of those human resources who will be responsible for each business division, promote M&As, and will form the next generation of leaders in their respective fields.

For this reason, we will establish an in-house academy as a conduit through which to systematize and provide essential education in cooperation with external specialized institutions.

We have also initiated steps to hold town hall meetings and conduct engagement surveys to help employees better understand the Company's thinking thereby serving as motivation tools. Historically, the Company's operations have largely been conducted based on dialogue between senior executives and managers. Recently, Mitsubishi Logistics has placed greater emphasis on soliciting the opinions of younger employees and encouraging two-way communication as it pushes forward the Company's operations with a greater sense of urgency.

Moreover, Mitsubishi Logistics is working to build a human resources portfolio. We are preparing to take all necessary measures by analyzing the quality and quantity of human resources. In this manner, we will determine what kind of human resources are required to achieve the MLC2030 Vision and Management Plan.

## Formulating Our Purpose

Although the Group boasts a long history, it has not always clearly articulated the significance of its existence. Nevertheless, we will expand the scope of our business on an ongoing basis against the backdrop of a social environment which continued to dramatically change.

The Three Principles of Mitsubishi's Business Management Philosophy ("Sankoryo"), namely Corporate Responsibility to Society, Integrity and Fairness, and Global Understanding through Business are concepts shared by all Mitsubishi Group companies. Together with these Principles, Mitsubishi Logistics is now in the process of once again clarifying its purpose and clearly articulating the Group's *raison d'être* and sense of value to its stakeholders. While these efforts remain a work-in-progress, we plan to hold detailed discussions to ensure that our purpose is well understood, and then to announce details publicly.

## In Closing

The Mitsubishi Logistics Group is accelerating its transformation endeavors. However, we will continue to hold on to our founding sense of mission as a company that engages in essential work, as well as the values of responsibility and integrity that support it, as principles that must not be changed and will never change.

Looking at issues in 2024, including geopolitical risks and climate change, the environment in which the Group operates is changing dramatically. In order to realize a sustainable society into the future, I am convinced that the Group must support the foundations of society. With a strong sense of mission, we will build on our proven track record and work in unison toward the next stage.

As we work toward achieving our goals, we ask for your continued support and understanding.

We are committed to improving capital efficiency and profitability to further enhance corporate value.



**Akira Yamao**

Director and Managing Executive Officer

## Results and Other Information for Fiscal 2022

Mitsubishi Logistics has identified three numerical targets over its second stage (2022-2024) of efforts to realize its MLC2030 Vision.

<b>Numerical Targets</b>	<b>Operating income</b> ¥20.0 billion (FY2024)	<b>ROE</b> 7% (FY2024)	<b>DOE</b> continuously 2% or above
--------------------------	---	---------------------------	--

In fiscal 2022, the first fiscal year of this second stage, operating revenue increased 16.9% compared with the previous fiscal year, to ¥300.5 billion. From a profit perspective, operating income climbed 26.9% year on year, to ¥23.0 billion. Each result represented a record high. This improved performance was largely due to the upswing in marine freight transportation rates in the Group's International Transportation Business coupled with significant depreciation in the value of the yen across foreign currency exchange markets as well as a recovery in the movement of cargo and successful efforts to reduce costs.

Moreover, ordinary income grew 29.8% to ¥30.0 billion owing to an increase in dividends received from shares held. Meanwhile, profit attributable to owners of parent increased significantly to ¥27.2 billion yen as a result of the sale of cross-shareholdings. Buoyed by the improvement in profitability, ROE came in at 7.8%, exceeding the final fiscal year target under the current Management Plan. Based on the aforementioned, the Company has decided to pay an annual dividend of ¥90 per share.

Our free cash flow was ¥26.1 billion, an increase of ¥19.1 billion compared with the previous fiscal year. Under our Management Plan, we are aggressively investing in businesses to maintain our competitiveness and in strategic investments to create new businesses. In this regard, we are confident that our ability to generate cash to fund these investments is steadily increasing.

## Financial Strategy and Capital Policy

Mitsubishi Logistics has identified five basic policies under its three-year Management Plan currently underway.

- 1 Strengthen the profitability of the Logistics Business**
- 2 Expand the foundations for the growth of overseas business**
- 3 Expand the Real Estate Business by strengthening development capabilities**
- 4 Develop high value-added services by utilizing cutting-edge technology**
- 5 Strengthen the Group management base**

To support these policies, we will work to enhance corporate value through growth investments while continuing to generate stable cash flows from operating activities, which we recognize is the source of growth from a financial perspective, and actively promote shareholder returns, including the buyback of treasury shares. In this context, we will strive to improve ROE and stabilize the payout ratio, while securing continuous dividends with a DOE of 2% or above.

### 1 Generating cash

We plan to generate ¥100 billion in cash flow from operating activities over the period of 2022 to 2024. From a balance sheet management perspective, we plan to generate ¥180 billion in cash over the three-year period by generating ¥40 billion from both the review of cross-shareholdings and the utilization of other avenues including external borrowings, respectively.

## 2 Improving capital efficiency

We have set ROE as a financial KPI under the current Management Plan, and are working to improve profitability and optimize capital adequacy. Although ROE increased significantly in the current fiscal year due to the external environment, the Company's capital efficiency has historically been low with ROE lingering below 4%. This reflects our inability to translate a strong equity capital into growth, and a lack of awareness toward capital efficiency and shareholder returns.

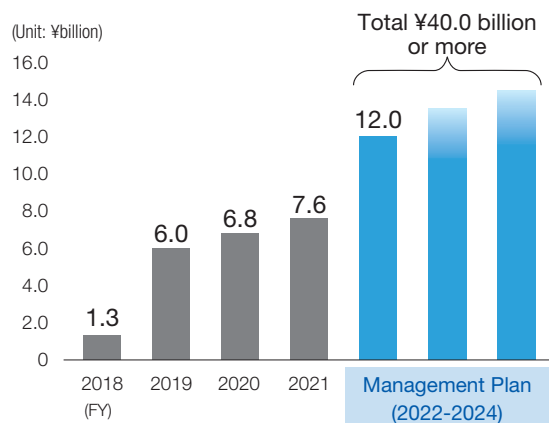
As far as the current Management Plan is concerned, we are promoting measures to improve profit margins over the medium to long term through a variety of means, including reducing cross-shareholdings while utilizing borrowings, strengthening business profitability, and expanding our growth base with an eye on overseas markets. As a result, we have seen an improvement in ROE, mainly through an increase in the net profit margin, and have been able to exceed the final target of 7% in the first fiscal year of the current Management Plan.

## 3 Reviewing assets held

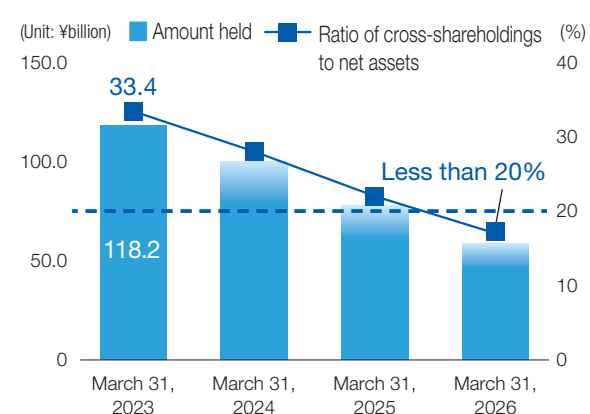
Mitsubishi Logistics is accelerating the reduction of cross-shareholdings based on an ongoing review of the rationale underpinning shares held. Under the previous Management Plan, we sold a cumulative total of ¥20 billion, and under the current Plan, aim to double this amount to ¥40 billion. We will continue to pursue reduction endeavors, and plan to cutback the ratio of cross-shareholdings to less than 20% by the end of fiscal 2025. We intend to allocate the cash generated from the sale of cross-shareholdings to strategic investments and shareholder returns, including the buyback of treasury shares. Meanwhile, we will clarify the strategic significance of continuing to hold shares and verify the return on such holdings from a cost of capital perspective. Based on the aforementioned, we will only hold shares when the Board of Directors deems it reasonable to do so.

In addition to these initiatives, we are promoting the sale of non-core assets in the Real Estate Business. Most recently, we sold non-core retail facilities in the Tokyo and Osaka areas. Proceeds from the sale will be used for investments aimed at growth.

Trends in the amount of cross-shareholding sales



Trends in the amount of cross-shareholdings held and ratio to net assets





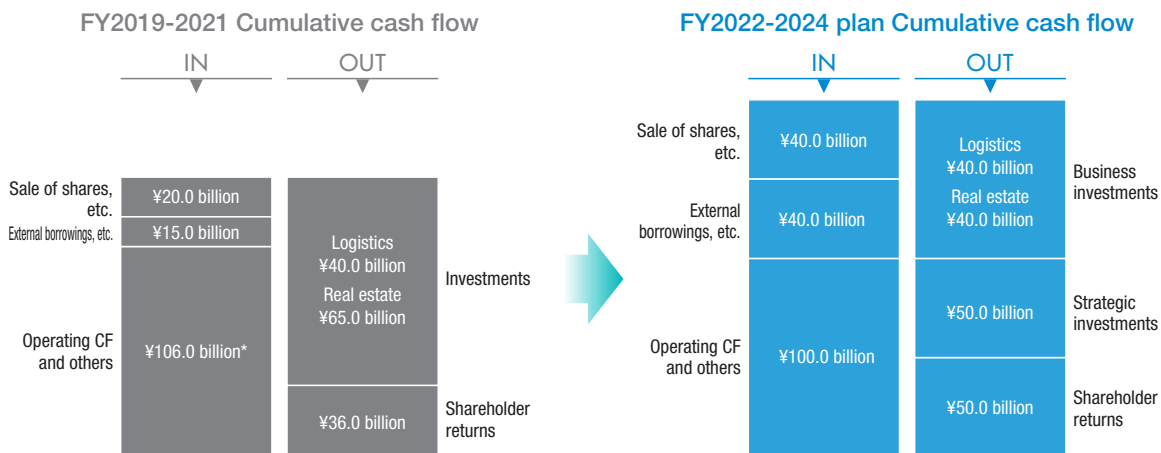
## 4 Capital allocation

### (1) Investment plan: Ensuring financial soundness

Under the current Management Plan, we plan to invest ¥40 billion in the Logistics and Real Estate Businesses to maintain and strengthen the competitiveness of existing businesses. We will also undertake ¥50 billion in strategic investments in such areas as DX, new business development, and M&A. While engaging in aggressive investments, we will maintain a disciplined approach toward financing. Our equity ratio has continuously exceeded 60% against the medium- to long-term target of 55%. We intend to promote growth investments while keeping in mind our credit ratings (JCR: AA, R&I: A+).

### (2) Shareholder returns policy

Mitsubishi Logistics' policy is to pay stable and continuous dividends with a DOE of 2% or above. We will return profits to shareholders by enhancing corporate value through aggressive growth investments and efforts to improve profitability. At the same time, we will implement the flexible buyback of treasury shares. We acquired a total of ¥20 billion over the three-year period of the previous Management Plan, and plan to acquire more than ¥30 billion under the current Management Plan.



\* Operating CF and others for FY2019-2021 includes approximately ¥36.6 billion in compensation income, etc. received from the sale of land in front of Nagoya Station.

## To Our Stakeholders

We believe that improving capital efficiency and profitability is essential to enhance corporate value over the medium to long term. In light of the increasing importance of non-financial information, including the addition of sustainability and human capital management to the content of securities reports, we will work to provide fair, timely, and appropriate management information and aim to enhance corporate value through constructive dialogue with our stakeholders.

# Value Creation Process

Inputs

Business Model

## Social & Relationship Capital P 2

- Trust gained through more than 130 years of history
- Excellent customer base built on that trust



## Human Capital P 41

- Consolidated number of employees: 4,708
- Diverse, customer-focused human resources
- Human resource development that contributes to added value creation



## Intellectual Capital P 2, 18, 50

- Mitsubishi Logistics Improvement Procedures
- Accumulated skills and know-how in warehousing and distribution, port and harbor transportation as well as international transportation
- Unique know-how in real estate development
- Customer insights



## Human Resources Who Are the Source of Value Creation

The three values passed down to our human resources

Customer First

Honesty

Originality and Ingenuity

## Manufacturing Capital P 2, 18

- Business foundations located close to metropolitan areas
- Broad-based transportation network due to multiple warehouses
- Extensive international transportation network



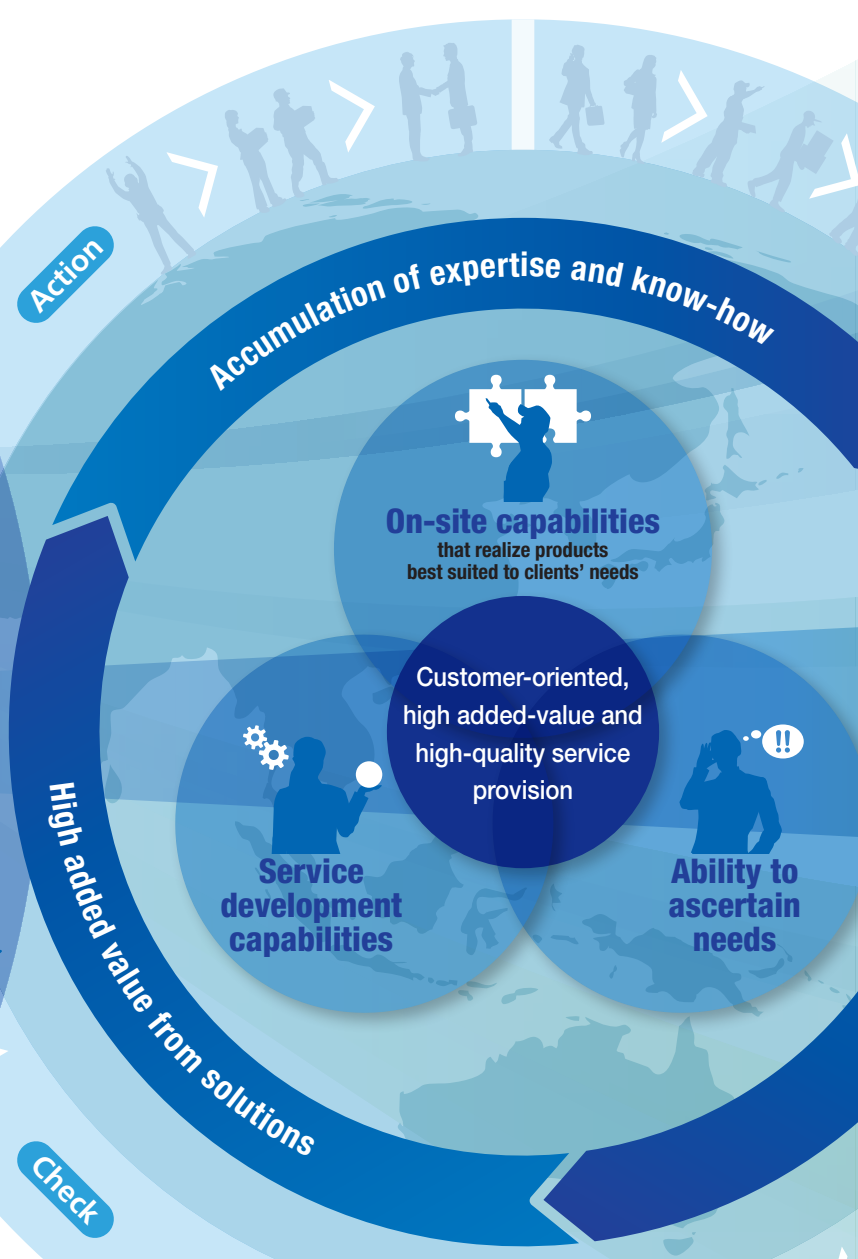
## Financial Capital P 12, 74

- Total assets: ¥573,689 million
- Equity ratio: 61.1%
- Operating CF: ¥40,488 million



## Natural Capital P 32

- Energy usage: 594,595 GJ
- Electricity consumption: 127,749 MWh



DX-based productivity improvements P 38

Taking on challenges of new fields P 38, 40

Open innovation by means of C

Crisis management measures that underpin safety and security P 52

Corporate governance P 60

Corporate philosophy and Code of Conduct based on the spirit of the Three Principles of Mitsubishi's Business Management Philosophy Inside back cover, P 47

## Outputs and Value Creation

## Realization of Vision

### Economic Value

- Operating revenue: **¥300,594** million
- Operating income: **¥23,027** million
- ROE: **7.8%**

P 18

#### [ Warehousing and Distribution Business ]

- Domestic/overseas logistics
- Import shipping agent business

#### [ Port and Harbor Transportation Business ]

- Container terminal business
- Conventional shipping business

#### [ International Transportation Business ]

- Ocean/air transportation
- Large/heavy cargo transportation
- Export shipping agent business/customs clearance
- SCM consulting

#### [ Real Estate Business ]

- Real estate development, including office buildings, retail facilities, hotels, and residences

### Social Value

- Realization of highly safety-enhanced logistics and real estate
- Reducing environmental impact and protecting human rights in entire supply chains
- Improvement in engagement P 43

## Vision

### MLC2030 Vision P 22

Contributing to the improvement of customer value, we offer comprehensive logistics solutions to the management of customers' supply chains, from procurement to distribution/sales, as their partner.

### Six key themes P 28

to be tackled by the Group



Safety, security, disaster response P 30



Environmental initiatives P 32



Cutting-edge technology, innovation P 38



Partnerships P 40



Human resource development, employee satisfaction P 41



Compliance, human rights, gender P 49



Utilizing the skills and know-how cultivated over our 137-year history, we support people’s affluent lives and our customers’ corporate activities.

**Protecting our customers’ supply chains through logistics with high safety and quality, providing comprehensive solution services that meet diversifying individual needs.**

**Warehousing and Distribution Business/Overland Transportation Business**

The Group’s Warehousing and Distribution Business and Overland Transportation Business provide a variety of logistics services, including storage and transportation, for a wide variety of raw materials and products, such as food/beverage, pharmaceutical and healthcare supplies, and machinery and electrical equipment, including automotive components. Furthermore, by promoting investments (logistics DX investments) aimed at improving the efficiency of entire supply chains, such as Disaster-Resistant Eco-Friendly Warehouses, strengthening relationships with domestic and overseas partners, and building the ML Chain pharmaceutical logistics data platform, we are working to solve a range of issues in domestic logistics, such as the 2024 issue, and to help everyone realize affluent lives.



**Port and Harbor Transportation Business**

We provide secure high-quality logistics services, including container terminal operations, for integrated port and harbor transportation at all major Japanese ports, namely Tokyo, Yokohama, Nagoya, Osaka, Kobe and Hakata. We also offer a wide range of other marine shipping-related services, such as importing/exporting of vessels, ship registration, and agency operations for special ships such as oil-drilling rigs.



**International Transportation Business**

In response to increasingly diversifying customers’ logistics needs, we propose optimum transportation routes door-to-door worldwide tailored to every customer’s request by taking advantage of our global network and a variety of transportation means, such as vessels, aircraft, railways and trucks. Meanwhile, the Group’s overseas operating bases provide comprehensive logistics services, such as cargo transportation, customs clearance and the storage of goods as well as logistics-related support services, such as consulting on legal systems, procedures and tariff costs utilizing economic partnership agreements in the respective areas for customers who plan to launch into foreign markets.



**Logistics Business**

87.4%

Operating revenue compared with fiscal 2022

Operating revenue **¥263,899 million**

**Real Estate Business**

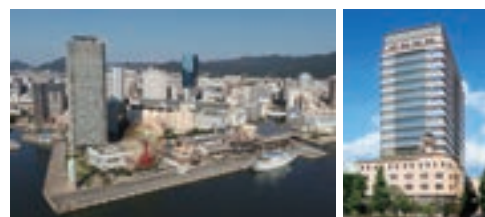
12.6%

Operating revenue **¥38,199 million**

**Contributing to the realization of an affluent and sustainable society through the development of real estate facilities.**

We are involved in the Real Estate Business in all six major cities of Japan—Tokyo, Yokohama, Nagoya, Osaka, Kobe and Fukuoka. In addition to activities such as the redevelopment of properties based on the optimum application of each property’s features and the leasing of approximately 50 real estate facilities (offices, retail facilities and residences), totaling almost 1 million m<sup>2</sup> of total floor space, we are involved in the sales of condominiums.

We are also active in developing Disaster-Resistant and Eco-Friendly Office Buildings, which meet business continuity needs and reduce environmental burden.





## Takero Shimizu

General Manager,  
Warehousing and Distribution  
Business Division

By providing high-quality logistics services that safely and securely deliver daily necessities such as foods/beverages and pharmaceuticals to everyone, we promote the concentration of our management resources on areas that contribute to the realization of a sustainable society, including the building of the supply chains for next-generation vehicles, as typified by EVs, of which a significant role is being expected in the process of making society carbon neutral.

Also, by continuing to develop services that provide new added value for entire supply chains, such as logistics DX investment to improve productivity and the ML Chain pharmaceutical logistics data platform, we will achieve growth in both businesses.

### Segment overview

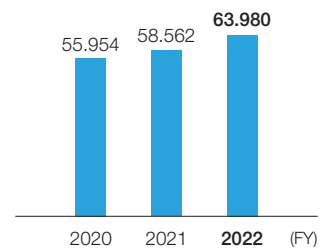
#### Warehousing and Distribution Business

**Revenue increased due to new operations at the Ibaraki Distribution Center No. 5 in Osaka and EV distribution center operations.**

Fiscal 2022 operating revenue

**¥63,980 million** (up **9.3%** year on year )

Operating revenue (Unit: ¥billion)



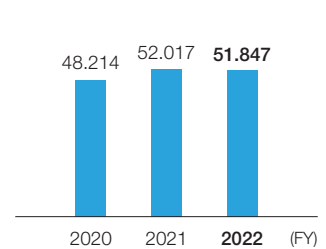
#### Overland Transportation Business

**Although there were new distribution center operations, sales remained at the same level as the previous year due to a decrease in project cargo handling.**

Fiscal 2022 operating revenue

**¥51,847 million** (down **0.3%** year on year )

Operating revenue (Unit: ¥billion)



### Business strategy

#### Warehousing and Distribution Business

<b>Expand business centered on the growth of priority areas</b>	<ul style="list-style-type: none"> <li>Optimize management resources contributing to the realization of sustainable society</li> <li>Develop logistics bases and networks in Japan and overseas</li> </ul>
<b>Distribution center management that contributes to the resolution of social issues</b>	<ul style="list-style-type: none"> <li>Expand Disaster-Resistant and Eco-Friendly Warehouses in Japan and overseas</li> <li>Promote the introduction of LED lighting and other equipment that reduces the environmental impact</li> </ul>
<b>Create new value using cutting-edge technology</b>	<ul style="list-style-type: none"> <li>Improve the efficiency of the entire supply chain by building the ML Chain pharmaceutical logistics data platform, etc.</li> <li>Improve productivity through systemization and develop new services</li> </ul>

#### Overland Transportation Business

<b>Expand business centered on the growth of priority areas</b>	<ul style="list-style-type: none"> <li>Develop cold chain services in Japan and overseas</li> <li>Further improve the quality of pharmaceutical logistics services</li> </ul>
<b>Collaborate with external partners to resolve social issues</b>	<ul style="list-style-type: none"> <li>Provide safe and secure food/beverage and pharmaceutical transportation/delivery services through appropriate temperature control</li> <li>Develop cryogenic transportation/delivery services that can be used in the medical field</li> <li>Reduce environmental impact through CO<sub>2</sub> emission visualization services, etc.</li> </ul>

#### Social value through business



To expand the “Disaster-Resistant and Eco-Friendly Warehouses” that the Group is promoting, at the Ibaraki Distribution Center No. 5 in Osaka, which was completed in October 2022, we installed solar power generation panels and LED lighting and adopted a seismically isolated structure. The Group as a whole is, for example, promoting initiatives that include the utilization of renewable energy by adopting a PPA scheme (details on page 33) and a modal shift in long-distance transportation in collaboration with customers. Through the activities of our business divisions, we will promote responses to the climate change issues caused by global warming and to the natural disasters that have become increasingly severe in recent years.

Logistics Business

## Port and Harbor Transportation Business



**Seiji Ueda**

General Manager,  
Port and Harbor Transportation  
Business Division


Through our Port and Harbor Transportation Business at major Japanese ports, we have continued to grow along with economic development, with our top priority being contributions to socio-economic development.

In addition to aiming to further enhance competitiveness by leveraging our cargo handling services, which rank the highest globally for efficiency, and securing stable profits, we will promote responses to climate change and contribute to the creation of a sustainable society.

### Segment overview

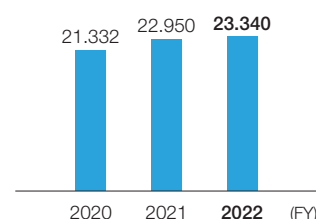
**The container handling volume remained at the same level as the previous year, and the freight handling volume of conventional vessels and car carriers increased.**

Fiscal 2022 operating revenue

**¥23,340 million\*** (up 1.7% year on year )

\* Does not include revenue from shipping-related services, such as ship registration and agency operations.

Operating revenue (Unit: ¥billion)



### Business strategy

**Expand business and enhance competitiveness of the Harbor Transportation Business Division**

- Expand the conventional shipping freight business and the car carrier business
- Strategic operation of independently operated container terminals (Osaka: Nanko C-9, Kobe: Rokko C-4)

**Increase profit margins and improve profitability**

- Improve profit margins by streamlining operations and reviewing costs at container terminals
- Improve profitability by reviewing work systems, etc. for unprofitable operations at subsidiaries under our jurisdiction

**Expand logistics operations related to cargo handling work on vessels and ship registration operations**

- Acquire new business by incorporating the needs of shipping companies and shippers related to cargo handling work on vessels
- Strengthen relationships with existing business partners, and strengthen sales activities to expand the handling of ship registration operations

Social value through business



While prioritizing the safety of employees working at terminals, we will fulfill our mission as essential workers who protect society even in sudden natural disasters, such as earthquakes and typhoons, and the coronavirus pandemic. Specifically, at the Yokohama Minamihonmoku Container Terminal, we are achieving a safe and efficient operating system through unified management by means of our terminal operation system. With regard to climate change, in line with the Carbon Neutral Port (CNP) policy promoted by the national and local governments in Japan, we curb energy consumption and contribute to reducing CO<sub>2</sub> emissions by increasing the efficiency and sophistication of logistics operations and facility operations.

## Real Estate Business



**Takashi Mukai**

General Manager,  
Real Estate Business Division

While continuing to strengthen the earnings base of the real estate rental business and expand the real estate business that does not depend on land ownership, we will promote initiatives for asset turnover business utilizing REITs, etc., to create new revenue sources.

In addition to strengthening its earnings base by, for example, the redevelopment and reinvestment of core assets and sale of non-core assets, the Real Estate Division is accumulating expertise through the acquisition of new projects, such as public-private partnerships (PPP), and participation in joint projects with other companies. We aim to become a business operator that demonstrates high development capabilities and facility management capabilities.

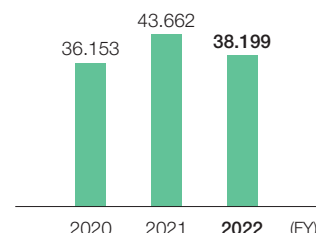
### Segment overview

**Retail facilities business performance recovered, however, in contrast, condominium sales decreased.**

Fiscal 2022 operating revenue

**¥38,199 million** (down 12.5% year on year )

Operating revenue (Unit: ¥billion)





## Yosuke Abe

General Manager,  
International Transportation  
Business Division

Promoting the establishment of a system that responds to trends and changes in global supply chains, the Mitsubishi Logistics Group's International Transportation Business is developing logistics services that support customers' global supply chains, centered on international integrated transport operations, such as ocean and air forwarding. We also support our customers in making their supply chains more resilient in response to environmental changes such as pandemics and natural disasters.

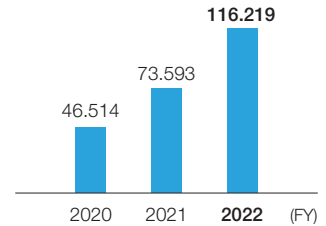
### Segment overview

Revenue reached a record high due to an increase in import and export cargo handled through new contracts and growth in overseas sales as well as increases in freight costs and the weaker yen.

Fiscal 2022 operating revenue

**¥116,219 million** (up 57.9% year on year )

Operating revenue (Unit: ¥billion)



### Business strategy

#### Sales activities centered on priority areas

- Roll out sales activities mainly targeting groups of materials (new materials) whose applications are expanding due to technological innovation
- By offering comprehensive logistics services, we provide services that optimize customers' entire supply chains

#### Overseas area strategy

- Overseas, develop areas in line with the characteristics of each region, with a particular focus on the four main regions of ASEAN, China, North America, and Europe (strengthening ASEAN in particular where economic growth is significant)
- In forwarding, work to develop a Global Grid strategy that strengthens collaboration among overseas bases, with a particular focus on expanding the handling of freight within the ASEAN region and from ASEAN to Europe and the United States

#### Construction of a digital platform, and new technologies and new services

- Build a digital platform to create a better customer experience (CX) through cost reductions, new value creation and faster response
- Provide consulting services that visualize the status of transportation and greenhouse gas emissions, etc., and utilize supply chain analysis tools

#### Social value through business



At both Kansai and Narita International Airports, we have obtained quality certification for the air transportation of pharmaceuticals from the International Air Transport Association (IATA) through its CEIV Pharma compliance program. We support the global pharmaceutical supply chain and contribute to protecting the lives and health of people in Japan and around the world.

Also promoting development solutions that include the visualization of CO<sub>2</sub> emissions in the supply chain and countermeasures to address the risks that climate change poses to people and companies, we aim to realize a prosperous and sustainable society by expanding and supporting the handling of new sustainable materials.

### Business strategy

#### Strengthen the earnings base of the real estate rental business

- Smooth promotion of Shibaura Dia Building development project
- Promote merger of two Kansai subsidiaries (Kobe Dia Maintenance Co., Ltd., Osaka Dia Buil-Tech Co., Ltd.)

#### Expand real estate business that does not depend on land ownership

- Grand Opening of Kobe Suma Sea World scheduled for June 2024
- Kumoi 5-chome District Category 1 Urban Redevelopment Project (Kobe) scheduled for completion in FY2027

#### Social value through business



To ensure that our tenants can continue their business operations with peace of mind, we are developing office buildings with enhanced earthquake resistance as well as power outage and flood prevention measures in preparation for disasters. From the dual perspective of responding to climate change and reducing environmental impact, we have also adopted design that shows environmental aspects have been considered, including the introduction of energy-saving systems, the installation of Low-E double-glazed glass to improve insulation, and the use of rainwater to flush toilets. Our design has received a high rank in CASBEE assessments, by which the environmental performance of buildings is rated.

## Outline of the MLC2030 Vision and the Management Plan

The MLC2030 Vision (announced on March 22, 2019)

### Vision

**Contributing to the improvement of customer value,**  
we offer comprehensive logistics solutions to the management of customers' supply chains,  
from procurement to distribution/sales, as their partner.

We have established the MLC2030 Vision as the ideal image of the Mitsubishi Logistics Group in 2030 (☞ see page 6: Top Message). Our growth strategies aimed at achieving this vision are as follows.

#### 1. Establish a customer-oriented support system

The Group will establish a customer-oriented support system with a focus on the medical/health care, food/beverage, and machinery/electrical machine industries as priority areas\*, and will take on comprehensive supply chain challenges as the customer's partner. Through these efforts, the Group will seek to expand its business domain and boost its market share.

\* We have added new materials, the market for which is expected to expand towards the year 2030, to the Management Plan (2022-2024) to create four priority areas.

#### 2. Expand overseas business

The Group will move forward with system enhancements to support customer supply chains in the medical/health care and food/beverage industries and strengthen its forwarding business with demand for high-quality cold chains\* expected to grow in a number of regions such as Southeast Asia (ASEAN).

\* Services providing uninterrupted temperature-controlled transport and distribution for refrigerated goods.

#### 3. Secure stable profits in the Port and Harbor Transportation and the Real Estate Businesses

The Group will further enhance the competitiveness of the Port and Harbor Transportation Business by leveraging its cargo handling services, which rank the highest globally for efficiency, while at the same time developing commercial complexes and facilities and boosting its operational capability in the Real Estate Business. By doing so, the Group will seek to secure stable profits.

#### 4. Improve operational processes and further utilization of new technologies

The Group will review the operational processes of all businesses and facilitate efficient operations by utilizing new technologies such as IoT, AI and robotics. Through these efforts, it aims to improve service quality and production efficiency.

#### 5. Strengthen the Group management base

The Group aims for growth by strengthening cost competitiveness through organizational management across the Company and its Group companies and securing and developing human resources, particularly in the priority areas.

### Stage 2

#### Management Plan (2022-2024)

☞ See page 24

#### Basic policies

- Strengthen the profitability of the Logistics Business
- Expand the foundations for the growth of overseas business
- Expand the Real Estate Business by strengthening development capabilities
- Develop high value-added services by utilizing cutting-edge technology
- Strengthen the Group management base

#### Numerical targets

- Operating income **¥20.0 billion** (FY2024)
- ROE **7%** (FY2024)
- DOE **continuously 2% or more**

### Stage 1

#### Management Plan (2019-2021)

#### Evaluation

- : Achieved numerical targets
- : Steadily implemented key measures
- △ : Capital efficiency needs further improvement

#### Numerical targets

- Operating income **¥14.5 billion** (FY2021)
- DOE **2.0%** (FY2021)



## Review of the Management Plan (2019-2021)

### Status of achievement (quantitative)

- Although sales and profits decreased in fiscal 2020 due to COVID-19 (reduced volume of freight handled, partial closures of commercial facilities, etc.), sales and profits both increased in fiscal 2021 as a result of a recovery in the volume of freight handled and increased ocean and air freight rates.
- Although the Real Estate Business failed to meet its profit target, greater business performance of the Logistics Business contributed to the overall achievement of revenue and profit targets and the DOE (dividend on equity) target in the Management Plan (2019-2021).

### Differences between financial results and targets in the Management Plan (2019-2021)

(Unit: ¥million)

	FY2019 (actual results)	FY2020 (actual results)	FY2021 (actual results)	FY2021 (targets)	Difference (actual result - target)	Evaluation
Operating revenue	229,057	213,729	257,230	240,000	+ 17,230	
Logistics Business	189,709	179,255	215,240	198,700	+ 16,540	○
Real Estate Business	41,199	36,153	43,662	43,600	+ 62	
Inter-segment transactions	△ 1,851	△ 1,679	△ 1,672	△ 2,300	+ 628	
Operating income	12,195	11,735	18,144	14,500	+ 3,644	
Logistics Business	7,184	7,232	13,703	9,200	+ 4,503	○
Real Estate Business	10,859	10,038	10,316	10,700	△ 384	
Corporate expenses	△ 5,847	△ 5,535	△ 5,875	△ 5,400	△ 475	
Ordinary income	16,822	16,013	23,151	17,100	+ 6,051	○
EBITDA (Operating income + Depreciation)	26,447	26,595	33,610	30,100	+ 3,510	○
Profit (attributable to owners of parent)	11,851	39,160	17,892	—	—	—
ROE	4.1%	12.9%	5.4%	—	—	—
Amounts per share of cash dividends applicable to the year/Annual dividend per share (yen per share)	60	60	80	—	—	—
DOE	1.8%	1.7%	2.0%	2.0%	± 0%	○

### Status of achievement (qualitative)

- We steadily implemented the key measures set out in the management plan, including by developing the business foundations of the priority areas, opening a distribution center (Misato City, Saitama Prefecture) for e-commerce utilizing new technologies, and bolstering production efficiency through more efficient operational processes and other means.
- In the Real Estate Business, we acquired profitable properties, such as joint equity in GRAND FRONT OSAKA. We also promoted the strengthening of our management system to further expand our business.

### Key measures, main initiatives, and tasks of the Management Plan (2019-2021)

Key measures	Main initiatives	Tasks	Evaluation
Strengthening the business foundations of the priority areas	<ul style="list-style-type: none"> <li>Completed Seishin Distribution Center Phase 2 Building in Kobe, Minamihonmoku Distribution Center in Yokohama, Misato Distribution Center No. 2 Phase 2 Building in Saitama, and Ibaraki Distribution Center No. 4 in Osaka</li> <li>Formed business alliances with K.R.S. Corporation, Cryoport, Inc. and others</li> <li>Rolled out DP-Cool services nationwide</li> <li>Expanded storage and delivery operations for automotive parts</li> </ul>	<ul style="list-style-type: none"> <li>Promotion of sales and investment in each priority area</li> <li>Strengthening of overseas business foundations</li> </ul>	○
Establishing a system that leverages new technologies	<ul style="list-style-type: none"> <li>Opened "SharE Center misato," a distribution center for e-commerce</li> <li>Strengthened collaboration with start-up companies through VC investment</li> </ul>	<ul style="list-style-type: none"> <li>Development of profitable businesses</li> </ul>	○
Maintaining competitiveness in the Port and Harbor Transportation Business	<ul style="list-style-type: none"> <li>Introduced a proprietary terminal operation system</li> </ul>	<ul style="list-style-type: none"> <li>Rebound from the COVID-19 impact</li> <li>Response to reduced freight volume</li> </ul>	△
Improving the organizational structure to strengthen capabilities for the development and operation of commercial complexes and other facilities of the Real Estate Business	<ul style="list-style-type: none"> <li>Acquired joint equity in GRAND FRONT OSAKA</li> <li>Reinforced rental facilities around Nagoya Station</li> </ul>	<ul style="list-style-type: none"> <li>Improvement of the organizational structure to strengthen operational capabilities</li> </ul>	△
Bolstering production efficiency through more efficient operational processes and other means	<ul style="list-style-type: none"> <li>Bolstered profitability in the Logistics Business through more efficient operational processes and other means</li> <li>Conducted verification tests for improved operational efficiency at warehouses using AI</li> </ul>	<ul style="list-style-type: none"> <li>Further improvements to productivity</li> </ul>	○
Improving operational conditions to reform workstyles and create innovation	<ul style="list-style-type: none"> <li>Revised the personnel system and promoted diverse workstyles</li> </ul>	<ul style="list-style-type: none"> <li>Utilization of human resources, including at Group companies</li> </ul>	○
Increasing shareholder returns	<ul style="list-style-type: none"> <li>Increased dividend to ¥80 per share and implemented buyback of ¥20.0 billion treasury shares, exceeding the plan (targeting ¥15.0 billion)</li> </ul>	<ul style="list-style-type: none"> <li>Improvement of capital efficiency</li> </ul>	○
Promoting CSR-oriented management	<ul style="list-style-type: none"> <li>Announced "Initiatives by the Mitsubishi Logistics Group for ESG Management and the SDGs"</li> <li>Issued the Integrated Report in place of the Environmental and Social Report</li> </ul>	<ul style="list-style-type: none"> <li>Strengthening of initiatives</li> </ul>	○

## Management Plan (2022-2024)

### Basic policies

#### 1 Strengthen the profitability of the Logistics Business

- Expand business in the three priority areas of medical/health care, food/beverage, and machinery/electrical machines in order to realize the MLC2030 Vision
- Add new materials, a market which is expected to expand towards the year 2030, to the priority areas
- Strengthen the earnings power of the Logistics Business by increasing profits through the acquisition of new businesses and the cultivation of existing businesses, and by improving profit margins through improved operational efficiency and the collection of appropriate fees.

#### 2 Expand the foundations for the growth of overseas business

- Global Grid Strategy  
Contribute to the optimization of customer supply chain management by promoting the establishment of a system that responds to trends and changes in global supply chains
  - Strengthen and upgrade intra-regional logistics and forwarding, and create synergies
  - Establish a business operation base that mainly consists of local staff
  - Accelerate growth through a partnership strategy with leading logistics companies

#### Strategic targets

Overseas sales ratio ..... **11.2%** [FY2020 actual results] ➔ **20% or above** [FY2024 target]

#### 3 Expand the Real Estate Business by strengthening development capabilities

- Continue to strengthen the earnings base of the real estate rental business and expand the real estate business that does not depend on land ownership.
- Aim to create new revenue sources, and consider initiatives for asset turnover business utilizing REITs, etc.

#### 4 Develop high value-added services by utilizing cutting-edge technology

- Aim to resolve social issues and realize business growth in both the Logistics and Real Estate Businesses by proactively introducing cutting-edge technology
  - Increase efficiency and sophistication of logistics operations and facility management
  - Develop logistics platform services

#### 5 Strengthen the Group management base

- Establish a management base that is resistant to changes and risks through thorough risk management and human resource development.
- Improve operational efficiency by reviewing the operations for which we are responsible, including at Group companies, and optimizing the organization.



### Numerical targets

Operating income

**¥20.0 billion**  
(FY2024)

ROE

**7%**  
(FY2024)

DOE

**continuously 2% or above**

## Progress of Measures Taken

### 1 Strengthen the profitability of the Logistics Business

- **Medical/health care:** Completed the Ibaraki Distribution Center No. 5 in Osaka in October 2022. By opening a new pharmaceutical warehouse in the Ibaraki City area, where our pharmaceutical distribution centers are concentrated, we will strengthen our pharmaceutical storage and delivery functions and develop high-quality logistics services.
- **Food/beverage:** Having entered into a business alliance agreement with K.R.S. Corporation in January 2022, we are creating synergies by reorganizing existing operations and systems, and deploying collaborative sales that combine the services of both companies. Our efforts have led to results that include the operation of dedicated collection and delivery services for the restaurant industry.
- **Machinery/electrical machine industries:** The Company has been entrusted with the complete logistics operation for BYD Auto Japan Co., Ltd. — the Japanese subsidiary of the BYD Group, which is expanding sales of its electric vehicles (EVs) globally—from the port entry, maintenance, and domestic transportation of EVs to the storage and nationwide delivery of aftermarket parts. Leveraging the automotive logistics know-how that the Mitsubishi Logistics Group has cultivated over the years, we will work to further expand our business.



### 2 Expand the foundations for the growth of the Overseas Business

By strengthening the sharing of customer and project information, we have expanded the handling of freight within the ASEAN region and to and from ASEAN between Europe and the United States. Thanks to these efforts, the rise in marine freight transportation rates, and the contribution of the weaker yen, our overseas sales ratio rose to 21.5% in fiscal 2022, exceeding the goal of 20% set to be achieved in fiscal 2024.

Additionally, in August 2022 and April 2023, we acquired shares in In Do Trans Logistics Corporation, a logistics services provider in Vietnam, which has become an equity method affiliate of the Mitsubishi Logistics Group. By combining the know-how and customer networks of both parties, such as leveraging the company's cold chain logistics in the food/beverage and medical/healthcare fields on which the Group focuses, we aim to expand our business not only within Vietnam but throughout the Indochina Peninsula.

### 3 Expand the Real Estate Business by strengthening development capabilities

Utilizing a Park-PFI system, the Suma Aqualife Park and Seaside Park Redevelopment Project will newly redevelop facilities at the Suma Seaside Aquarium/Seaside Park, located a five-minute walk from Suma Kaihinkoen station on the JR Kobe Line. The project consists of a park, an aquarium, accommodation, lively entertainment facilities, and a parking lot.

Having adopted the theme “Realization of a connected seaside resort park where local communities and tourists can interact” for the redevelopment, we are working to create places and structures that will create a variety of connections and exchanges. The park and entertainment facilities are scheduled to open in September 2023, and the new aquarium and accommodation facilities are scheduled for a grand opening in June 2024.

### 4 Develop high value-added services by utilizing cutting-edge technology

Utilizing blockchain and other technologies, the Company built “ML Chain,” a logistics platform for pharmaceuticals to realize the visualization of entire supply chains and sophisticated quality control.

While utilizing existing business processes, the introduction of automating and streamlining systems has led to improvements in both logistics service quality and productivity. For example, one system for the optimization of cargo placement and work personnel utilizes cutting-edge technology such as AI at key points, and another utilizes robotics technology, such as AGVs.

In recognition of these efforts, we were selected as a Noteworthy DX Company in the Digital Transformation Stocks (DX Stocks) 2023, jointly selected by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange.

### 5 Strengthen the Group management base

To quantitatively ascertain the level of employee engagement, we conducted an engagement survey targeting the Company and its domestic consolidated subsidiaries. We will plan and implement measures based on the survey results to maintain and improve organizational strength.

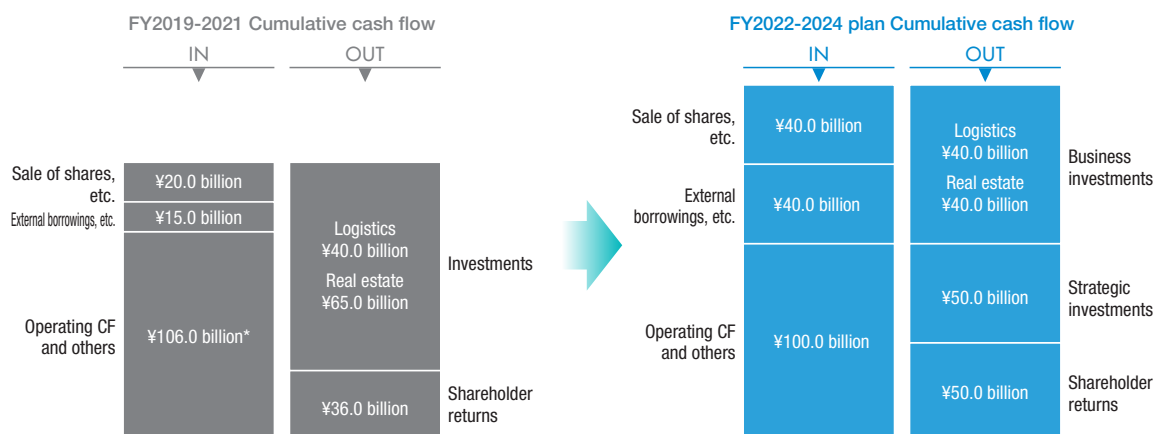
In January 2023, we formulated the Mitsubishi Logistics Group Human Rights Policy based on the United Nations Guiding Principles on Business and Human Rights. This policy is positioned as the top policy regarding efforts to respect human rights in the Group's business activities. Going forward, we will advance preparations geared toward the implementation of human rights due diligence.

# The MLC2030 Vision and the Management Plan

## Capital policy

### Capital allocation

- Having proceeded with the sale of cross-shareholdings exceeding those in fiscal 2019-2021, in terms of investment we will utilize external borrowings, etc. to expand profits and improve capital efficiency, while considering the soundness of our financial position.
- We will make investments to achieve the MLC2030 Vision and address ESG management and the SDGs, and will also promote the return of profits to shareholders.



\* "Operating CF and others" for FY2019-2021 includes approximately ¥36.6 billion in compensation income, etc. received from the sale of land in front of Nagoya Station.

### Investment plan

		FY2022-2024 plan Cumulative cash flow	
<b>Business investment</b>	Maintain and strengthen the competitiveness of existing businesses (acquisition and renewal of facilities and real estate, etc.)	Logistics	¥40.0 billion
		Real estate	¥40.0 billion
<b>Strategic investment</b>	Expand business portfolio and create new business domains (DX, IT-related investment, new business development, M&A, environmental initiatives, etc.)		¥50.0 billion

### Enhancement of shareholder returns and improvement of capital efficiency

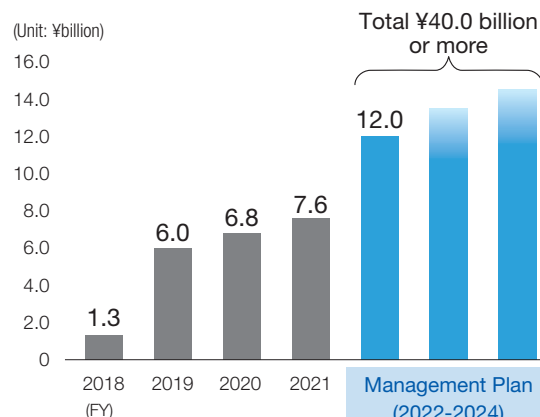
- We position the return of profits to shareholders as one of the most important management issues, and will strive to further enhance shareholder returns.
- While taking into account the balance among corporate performance, growth investments, and capital efficiency, we will achieve stable and continuous dividends with a DOE of 2% or above, and flexibly acquire treasury shares on a scale that exceeds the execution amount during the period of the Management Plan (2019-2021) (with a target of ¥30.0 billion or more).
- We will accelerate the reduction of cross-shareholdings after continuously verifying the rationality of such holdings, and use the proceeds from their sale for strategic investment and shareholder returns.

#### Amount of acquisition of treasury shares

Actual results for FY2019-2021 (3-year cumulative total)	Plan for FY2022-2024 (same as on left)
¥20.0 billion	¥30.0 billion or above

\* The maximum total number of treasury shares held is set at around 5% of the total number of shares issued, and any shares exceeding this shall, in principle, be canceled.

#### Trends in the number of cross-shareholding sales



## Initiatives for ESG Management and the SDGs

The Mitsubishi Logistics Group has identified six key themes in its bid to realize the MLC2030 Vision.



### Environmental initiatives

- Promote the reduction of CO<sub>2</sub> emissions throughout the supply chain and promote decarbonization efforts by the Company and its customers



### Human resource development, employee satisfaction

### Cutting-edge technology, innovation

### Partnerships

- Strengthen service competitiveness
- Address the labor shortage
- Establish an environment that facilitates the creation of innovative ideas
- Secure diverse human resources

### Compliance, human rights, gender

- Deepen trust from stakeholders
- Reduce sustainability risk throughout the supply chain



### Safety, security, disaster response

- By providing services even during disasters, etc., we will protect our customers' supply chains and contribute to a safe and secure society



# Initiatives for Each of the Six Key Themes

## Measures to be Taken, Performance Indicators, and Target Values

Measures to be taken through business activities, performance indicators for each measure, target values, and progress made in the fiscal year under review are set out in the chart below. Through the Sustainability Committee, we will promote initiatives to ensure that we meet the targets that have been set for fiscal 2030. These initiatives will include progress management, the periodic inspection and

Six key themes	Priority measures and measures through business activities	Performance indicators <sup>*1</sup>
 <p>Safety, Security, Disaster Response</p>	<p><b>Provide infrastructure services that are sustainable even during disasters</b></p> <ul style="list-style-type: none"> <li>● Develop facilities with strong earthquake and wind pressure resistance that surpasses the requirements of various laws and regulations</li> <li>● Secure fuel for business continuity at distribution centers and in transportation operations during large-scale disasters</li> </ul> <p><b>Develop high-quality logistics services that utilize temperature controls and security capabilities in Japan and overseas</b></p> <ul style="list-style-type: none"> <li>● Further utilize DP-Cool vehicles for temperature-controlled transportation of pharmaceuticals</li> </ul>	<ol style="list-style-type: none"> <li>1 Earthquake resistance standards for facilities</li> <li>2 Percentage of required fuel secured in target regions</li> <li>3 Utilization rate of DP-Cool vehicles for temperature-controlled transportation of pharmaceuticals</li> </ol>
 <p>Environmental Initiatives</p>	<p><b>Further develop Disaster-Resistant Eco-Friendly Warehouses and eco-friendly office buildings that serve to reduce GHG/CO<sub>2</sub> emissions</b></p> <ul style="list-style-type: none"> <li>● Consider the environment through electricity supply by solar power generation, reduce power consumption through LED lighting in warehouses</li> </ul> <p><b>Reduce GHG/CO<sub>2</sub> emissions by enforcing efficient transportation methods, etc.</b></p> <ul style="list-style-type: none"> <li>● Realize efficient delivery by improving loading rates, etc., shorten waiting time using a truck reservation system, mount cargo handling equipment with fuel cells towards a CNP</li> </ul>	<ol style="list-style-type: none"> <li>1 CO<sub>2</sub> emissions reduction rate</li> <li>2 CO<sub>2</sub> emissions reduction rate for transportation</li> </ol>
 <p>Cutting-Edge Technology, Innovation</p>	<p><b>Enhance and automate logistics/real estate services and save labor</b></p> <ul style="list-style-type: none"> <li>● Logistics: Optimize warehouse operations and car allocation planning using AI, etc., respond to EC logistics, etc., automate equipment in warehouse facilities and make it labor-saving</li> <li>● Real estate: Enhance and save labor of facility management operations using IT</li> </ul>	DX, IT-related investment amount
 <p>Partnerships</p>	<p><b>Collaborate with startups and companies in other industries</b></p> <ul style="list-style-type: none"> <li>● Optimize development and create new businesses through open innovation with CVC, etc.</li> </ul>	CVC fund's managed amount
 <p>Human Resource Development, Employee Satisfaction</p>	<p><b>Develop personnel and welfare programs that value each individual employee</b></p> <ul style="list-style-type: none"> <li>● Establish a personnel system that accommodates a variety of workstyles</li> <li>● Create an environment that helps balance work and life</li> </ul> <p><b>Develop human resources with global perspectives</b></p> <ul style="list-style-type: none"> <li>● Develop human resources with global perspectives through expansion of training programs, etc.</li> </ul>	<ol style="list-style-type: none"> <li>1 Ratio of regional general employees</li> <li>2 Ratio of employees taking child-care leave</li> <li>3 Ratio of employees with experience in overseas assignments</li> </ol>
 <p>Compliance, Human Rights, Gender</p>	<p><b>Promote sincere and fair business activities</b></p> <p><b>Ensure thorough compliance, with awareness of comprehensive supply chains</b></p> <ul style="list-style-type: none"> <li>● Implement initiatives for adherence to relevant laws and regulations and respect for human rights together with subcontractors</li> </ul> <p><b>NEW Promotion of women's empowerment</b></p> <ul style="list-style-type: none"> <li>● Building systems and creating environments in which women can play active roles</li> </ul>	<ol style="list-style-type: none"> <li>1 Response rate for Code of Conduct questionnaire and Sustainability questionnaire<sup>*4</sup></li> <li>2 Ratio of female managers<sup>*5</sup></li> </ol>

\*1 For details on performance indicators, please refer to Performance Indicators and Targets from page 30.

\*2 Figures other than that for the ratio of female managers are rounded to the first decimal place.

\*3 Starting from this report, the calculation method has been revised to reflect the effects of reducing CO<sub>2</sub> emissions due to the introduction of real renewable energy.

replacement of relevant measures and KPIs, and the expansion and upgrading of communication with all internal and external parties through resources such as the Integrated Report and the Group's official website.

Target values for FY2030	Results for FY2022 <sup>2</sup>	Activities in FY2022	Activities Planned for FY2023
① Maintain 110% of earthquake resistance standards	Maintenance achieved	<ul style="list-style-type: none"> <li>Seismic isolation structure adopted at Ibaraki Distribution Center No. 5 in Osaka</li> </ul>	<ul style="list-style-type: none"> <li>Maintain earthquake resistance standards</li> </ul>
② 100% of requirement secured	27%	<ul style="list-style-type: none"> <li>Expanded fuel supply system</li> </ul>	<ul style="list-style-type: none"> <li>Plan and implement measures to improve the maintenance rate of the fuel supply system</li> </ul>
③ 100% temperature-controlled transportation with DP-Cool vehicles	38%	<ul style="list-style-type: none"> <li>Expanded temperature-controlled transportation and delivery by DP-Cool vehicles through negotiations with customers</li> </ul>	<ul style="list-style-type: none"> <li>Promote high-quality services such as ML Chain and improve temperature-controlled transportation and delivery using DP-Cool vehicles.</li> </ul>
① CO <sub>2</sub> emissions: down 50% (versus FY2013, Scope 1+2)	(23)% <sup>3</sup>	<ul style="list-style-type: none"> <li>Installed renewable electricity in four buildings of the Real Estate Business Division</li> <li>Considered and developed a plan for the installation of solar power generation systems at existing warehouse facilities</li> </ul>	<ul style="list-style-type: none"> <li>Consider additional GHG/CO<sub>2</sub> reduction measures</li> <li>Develop CO<sub>2</sub> emission visualization service for domestic warehousing and transportation</li> </ul>
② CO <sub>2</sub> emissions: down 50% (versus FY2018)	(43)%	<ul style="list-style-type: none"> <li>Implemented measures to improve loading rates through customer negotiation</li> </ul>	<ul style="list-style-type: none"> <li>Consider and implement measures to further improve loading rates</li> </ul>
Cumulative investment of ¥50.0 billion for FY2021-FY2030	¥8.34 billion (cumulative total)	<ul style="list-style-type: none"> <li>Established a logistics platform for pharmaceuticals in the Warehousing and Distribution Business</li> <li>Renewed the forwarding system (FFS) in the International Transportation Business</li> </ul>	<ul style="list-style-type: none"> <li>Expand ML Chain functions and increase the number of customers</li> <li>Continue development of FFS, launch of CO<sub>2</sub> emissions visualization service, etc.</li> </ul>
Establish a CVC of ¥5.0 billion	Preparations for CVC launch	<ul style="list-style-type: none"> <li>Gathered information and decided how to respond to the establishment of a CVC fund</li> <li>Temporarily assigned personnel to a VC fund (2 persons)</li> </ul>	<ul style="list-style-type: none"> <li>Establish investment subsidiary</li> <li>Form a CVC fund</li> </ul>
① 30%	8%	<ul style="list-style-type: none"> <li>Expanded recruitment quotas for regional general positions</li> </ul>	<ul style="list-style-type: none"> <li>Expand recruitment of regional general employees</li> </ul>
② 60%	56%	<ul style="list-style-type: none"> <li>Established rules for publicizing the male childcare leave system, conducted training, and reviewed operations</li> </ul>	<ul style="list-style-type: none"> <li>Create a pamphlet on the new childcare leave system and raising awareness of the system to increase the uptake rate</li> </ul>
③ 25%	16%	<ul style="list-style-type: none"> <li>Established institutional framework for broadening the overseas dispatch program</li> </ul>	<ul style="list-style-type: none"> <li>Expand overseas dispatch program</li> </ul>
① 90% or more each year	<ul style="list-style-type: none"> <li>Code of Conduct questionnaire 96%</li> <li>Sustainability questionnaire 94%</li> </ul>	<ul style="list-style-type: none"> <li>Maintained response rate for Code of Conduct questionnaire</li> <li>Enhanced the content of the sustainability questionnaire and expanded the number of companies covered</li> </ul>	<ul style="list-style-type: none"> <li>Improve the response rate for Code of Conduct questionnaire</li> <li>Enhance the content of the sustainability questionnaire (expand to include more companies in Japan)</li> </ul>
② 10%	2.6%	<ul style="list-style-type: none"> <li>Examination of performance indicators and fiscal 2030 target values</li> </ul>	<ul style="list-style-type: none"> <li>Secure human resources through early screening, training, and selection as well as the mid-career recruitment of female executive candidates</li> <li>Consider measures to increase the ratio of women in management positions</li> </ul>

<sup>4</sup> Formerly the CSR questionnaire

<sup>5</sup> Newly established in fiscal 2023. See page 49 for details.



## Safety, Security, Disaster Response

**By protecting our customers' cargoes and business from future risks and creating tomorrow's logistics today, we will provide peace of mind in 2030 and beyond.**

Throughout our 137-year history, we have taken safety and security as our starting point and brought about the evolution of both our logistics facilities and information systems in preparation for emergencies. Strengthening both the "hard" and "soft" aspects of our advanced quality control and nationwide logistics network, we will continue to meet the expectations of our customers.



### Priority Measures and Measures through Business Activities

**Provide infrastructure services that are sustainable even during disasters** → Performance indicators ①・②

- To prepare for earthquakes and the increasing severity of weather-related natural disasters brought about by climate change, we are developing and deploying disaster-resistant facilities with both seismic and wind pressure resistance that exceeds all types of statutory and regulatory requirement.
- By installing light oil in-tanks for stockpiling, entering into priority fuel supply contracts with oil distribution companies in case of a disaster, and other initiatives, we have developed systems to secure fuel should a large-scale disaster occur.

**Develop high-quality logistics services that utilize temperature controls and security capabilities** → Performance indicator ③

- Providing the high-quality DP-Cool temperature-controlled pharmaceuticals delivery service, we are supplying safe and secure pharmaceuticals through the expanded use of those services.

### Performance Indicators and Targets

#### ① Earthquake resistance standards for facilities

Target values for FY2030

**Maintain 110% of earthquake resistance standards**

Targeting logistics and real estate facilities owned by the Company that will be completed and begin operation from April 1, 2021 onward

### Fiscal 2022 Topics and Initiatives from Fiscal 2023 Onwards

In fiscal 2022, for Fuji Logistics Co., Ltd.'s Tsukuba Logistics Center in Ibaraki Prefecture, which was completed in April, we ensured a seismic resistance standard (required horizontal strength\*) of 110% or higher, as stipulated by the Building Standards Act, which is the same as our standards. At Ibaraki Distribution Center No. 5 in Osaka Prefecture, which was completed in October, we employed a seismic-isolated structure. In addition, the building has a structural strength against wind pressure of 115%, as stipulated in the Building Standards Act.

From fiscal 2023 onwards, we will continue to carry out initiatives that maintain seismic resistance and wind pressure resistance standards.

\* The strength required for a building to withstand the horizontal forces experienced during an earthquake.



Osaka/Ibaraki Distribution Center No. 5  
Seismic isolation rubber

#### ② Percentage of required fuel secured in target regions

Target values for FY2030

**100% of requirement secured**

Targeting Nankai Trough Earthquake Disaster Countermeasure Promotion Area as designated by the Cabinet Office

Percentage of required fuel secured for use during large-scale emergencies for logistics facilities owned and operated by the Company with an area of approximately 16,550 m<sup>2</sup> or more through maintaining reserve kerosene stored in-tanks, and contracts with oil distribution companies for priority fuel supply during disasters, etc.

At Osaka/Ibaraki Distribution Center No. 5, which was completed in October 2022, we installed an emergency generator and light oil in-tank to assist in maintaining the stable supply of pharmaceuticals in the event of a large-scale disaster.

In fiscal 2023, we will work to enhance and upgrade our partner company and business continuity systems, such as fuel supply companies, in other regions.



Osaka/Ibaraki Distribution Center No. 5  
Emergency generator



## Performance Indicators and Targets

### ③ Utilization rate of DP-Cool vehicles for temperature-controlled transportation of pharmaceuticals

#### Target values for FY2030

**100% temperature-controlled transportation with DP-Cool vehicles**

Utilization rate of vehicles compatible with the DP-Cool temperature-controlled pharmaceuticals delivery service provided by the Group company Dia Pharmaceutical Network Co., Ltd.

## Fiscal 2022 Topics and Initiatives from Fiscal 2023 Onwards

In addition to the GDP-compliant DP-Cool temperature-controlled pharmaceuticals delivery service that we started providing in 2016, the Company and DP Network began offering DP-Green, a temperature-controlled\* pharmaceuticals delivery service that complies with GDP guidelines, from November 2022. We have worked to strengthen our high-quality transportation and delivery services to ensure the safe and secure delivery of pharmaceuticals.

In January 2022, we began operating ML Chain, a pharmaceutical logistics data platform that utilizes information technology such as blockchain. By utilizing ML Chain, our Group aims to visualize entire supply chains and assist customers in solving their problems and thereby improve efficiency.

In FY2023, we will continue to contribute to the stable supply of pharmaceuticals by expanding our handling of high-quality pharmaceutical transportation and delivery services, such as DP-Cool and DP-Green.

In working to enhance and upgrade the functionality of ML Chain, we will also aim to provide new added value to everyone involved in pharmaceutical distribution, including pharmaceutical manufacturers and wholesalers as well as transportation company operators.

\* 1–30°C

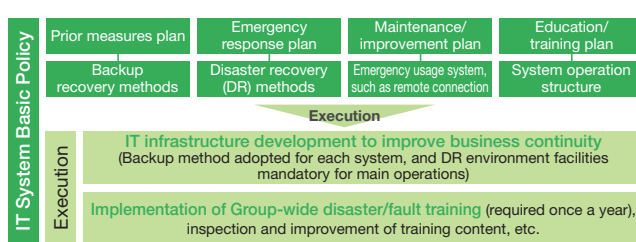


## Toward solving social issues through business

Learning from past disasters, we have been actively investing to “protect our customers’ businesses and society.”

Amid the uncertainties caused by the prospects of a Great Kanto Earthquake, we built a reinforced concrete warehouse without delay, thereby protecting the products entrusted to us by our customers and prioritizing their peace of mind. To prevent repeats of past painful experiences, such as the aftermaths of the Great Hanshin-Awaji Earthquake and the Great East Japan Earthquake, we have been promoting the building of sustainable warehouses that can withstand seismic events and in 2012 launched the Disaster-Resistant and Eco-Friendly Warehouse concept.

In considering possible disaster scenarios, even those affecting IT systems, we determined that these would include not only large-scale earthquakes and wind and flood damage but also infectious diseases, widespread power outages, large-scale IT system failures, cyberattacks, data leaks, terrorism and conflicts. From an IT system perspective, we are strengthening our response to all-hazard BCPs and redoubling our efforts to ensure business continuity for our customers.

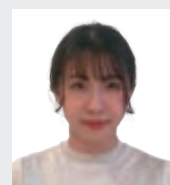


### VOICE

## High-quality logistics warehouse for pharmaceutical GDP

Ibaraki Distribution Center No. 5 in Osaka Prefecture, where I was in charge of all construction work, is a logistics warehouse that complies with the pharmaceutical GDP guidelines. We installed an automatic shelter that can be directly connected to the refrigerated cargo handling area on the first floor and air-conditioning fans to circulate air into the shaft of a vertical conveyor, allowing us to provide high-quality pharmaceutical logistics services with no changes in temperature during a series of cargo handling operations. In cold storage with a narrow temperature control range of 2–5°C, we also aimed to further improve quality by installing a new-technology, nozzle-type fan, so that uniform temperature and airflow can be maintained.

Based on our “Disaster-Resistant and Eco-Friendly Warehouse” concept, we also adopted a seismic isolation structure and installed a large-output emergency generator to enable business continuity even in the event of a disaster. Out of environmental considerations, we adopted solar power generation equipment and high-efficiency air conditioners to reduce our environmental impact.



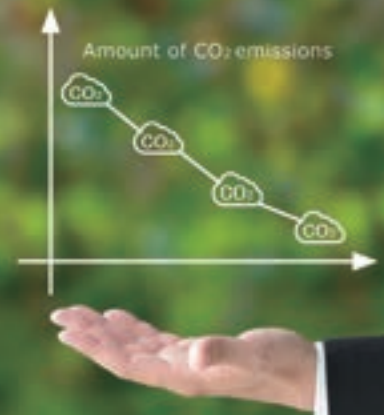
**Shoko Tsujita**  
Real Estate Dept.,  
Osaka Branch



## Environmental Initiatives

Through efforts to reduce environmental impact, which is a climate change issue, we will set the beautiful Earth spinning toward the future while assisting our customers' businesses.

We believe that partnerships with customers and everyone involved in logistics are extremely important in reducing CO<sub>2</sub> emissions throughout the supply chain. While continuing to promote energy conservation, we will expand investment in renewable energy and, as our main initiative, promote the reduction of environmental impact by realizing efficient transportation and delivery.



### Priority Measures and Measures through Business Activities

**Further develop Disaster-Resistant and Eco-Friendly Warehouses and eco-friendly office buildings that serve to reduce GHG/CO<sub>2</sub> emissions** → Performance indicator ①

- At our distribution centers, which are positioned at the core of our supply chain, we are working to reduce the environmental impact by promoting the visualization of environmental burden-related figures such as CO<sub>2</sub> and waste emissions, the introduction of green power such as solar power generation, and the conversion of lighting equipment to LED lighting.

**Reduce GHG/CO<sub>2</sub> emissions by enforcing efficient transportation methods, etc.** → Performance indicator ②

- In order to reduce CO<sub>2</sub> emissions from the Group's transportation/delivery operations, we will establish a method for measuring emissions, shorten truck waiting time using a truck reservation system, optimize transportation methods through modal shifts, and consider the introduction of next-generation vehicles, including EV trucks. We will also work on the introduction of cargo handling equipment mounted with fuel cells towards realizing a CNP (carbon neutral port).

### Performance Indicators and Targets

#### ① Reduction rate of CO<sub>2</sub> emissions at facilities

Target values for FY2030

**CO<sub>2</sub> emissions in Scope 1 and 2 of the GHG Protocol: down 50%** (versus FY2013)

Targeting logistics and real estate facilities owned by the Company and its Group company, Fuji Logistics Co., Ltd., and in-house transportation by Ryoso Transportation Co., Ltd.

### Fiscal 2022 Topics and Initiatives from Fiscal 2023 Onwards

In fiscal 2022, Ibaraki Distribution Center No. 5 in Osaka Prefecture was completed as a Disaster-Resistant and Eco-Friendly Warehouse. At this center, we installed solar power generation equipment (200kW) on the roof and LED lighting throughout the facility, motion sensors for lighting in common areas, high-efficiency air-conditioning equipment, and heat-shielding as well as high-insulation, double-glazed glass (Low-E glass). Due to these energy-saving measures, we received an "A" ranking from CASBEE (Comprehensive Building Environmental Performance Evaluation System) in Osaka Prefecture. Up to the time of the equipment's installation at Ibaraki Distribution Center No. 5 in fiscal 2022, the total solar power generation capacity of the Company was 4,713 kW.



Solar power generation equipment at Ibaraki Distribution Center No. 5 in Osaka Prefecture

#### ② GHG/CO<sub>2</sub> reductions through efficient transportation/delivery

Target values for FY2030

**CO<sub>2</sub> emissions: down 50%** (versus FY2018)

Targeting vehicles compatible with the DP-Cool temperature-controlled pharmaceuticals delivery service provided by the Group company Dia Pharmaceutical Network Co., Ltd.

Having worked hard to improve the loading rates for DP-Cool, our temperature-controlled pharmaceuticals delivery service, for products transported and delivered using this service, we have reduced CO<sub>2</sub> emissions per product weight and transportation distance.

As an initiative other than setting target values, we utilized the refrigerated transportation and delivery network of K.R.S. Corporation, with which we entered into a business alliance agreement in January 2022. Frozen and refrigerated cargo, which had previously been arranged by each supplier and was transported from the Kanto region to the Kansai region is consolidated at K.R.S. bases and transported by joint routes, reducing the number of transportation vehicles and CO<sub>2</sub> emissions by means of shared trunk-line transit.



A DP-Cool truck

## Fiscal 2022 Topics and Initiatives from Fiscal 2023 Onwards

In fiscal 2023, we plan to provide CO<sub>2</sub> emission calculation tools and visualization services to reduce CO<sub>2</sub> emissions from facilities and transportation operations.

The calculation tool is a service that allows customers to simulate CO<sub>2</sub> emissions for a variety of domestic and international transportation and delivery routes. By simply entering the departure and arrival locations, weight and other parameters, the tool will suggest the optimal transportation route to suit a customer's needs from a number of perspectives, including transportation method, lead time, and amount of CO<sub>2</sub> emitted.

The visualization service reports the amount of CO<sub>2</sub> emitted when customers use our logistics services (warehousing/domestic transportation and delivery).

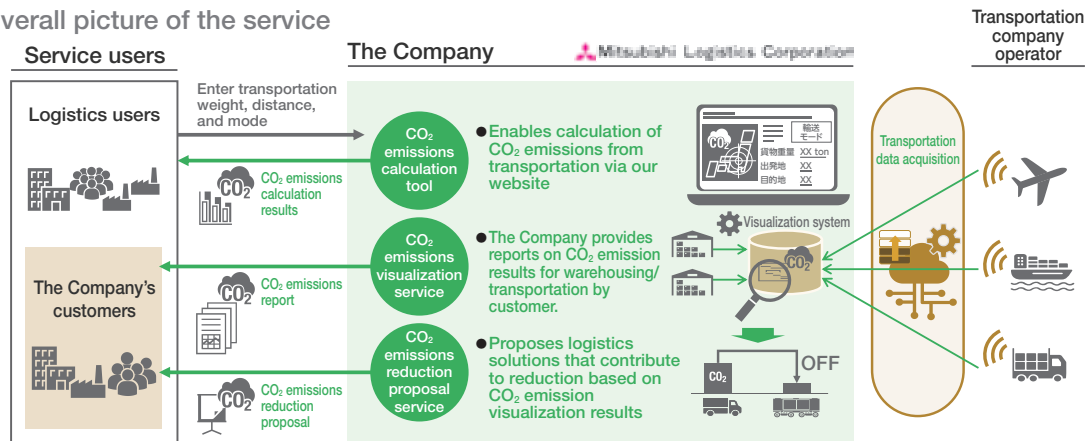


### Toward solving social issues through business

By promoting energy conservation and the introduction of renewable energy in our facilities, we will reduce our CO<sub>2</sub> emissions, which is Scope 3 when seen from the customer's perspective, and proceed with service development while assuming future risks, such as the increased customer costs due to the introduction of a carbon tax. To this end, we started offering a CO<sub>2</sub> emissions visualization service in fiscal 2022 and plan to offer a reduction service at some stage thereafter. We will strengthen efforts to combat climate change throughout the supply chain while aiming to achieve net zero CO<sub>2</sub> emissions by 2050.

In addition to the CO<sub>2</sub> emissions calculation tool posted online, we also provide a CO<sub>2</sub> emissions visualization service that reports emissions results for each customer, and a reduction proposal service based on the visualization results.

#### Overall picture of the service



As our customers' logistics partner, we support the visualization and reduction of CO<sub>2</sub> emissions.



#### VOICE

### PPA model for solar power generation system

Having installed a PPA-model (third-party ownership) solar power generation system in Building A of its Mie Logistics Center, Fuji Logistics Co., Ltd. began its operation in January 2023.

Under the terms of this business model, the company is leasing the roof facilities to a PPA operator, which has installed an 801 kW solar power generation system and supplies the electricity generated to Fuji Logistics.

In addition, since the PPA operator utilizes the Feed-in Tariff (FIT) system to sell any excess electricity that cannot be used by Fuji Logistics, large-capacity power generation has been enabled by making maximum use of the roof area.

On sunny days, electricity can be generated almost exclusively from solar power generation, and it is expected that the annual CO<sub>2</sub> emissions from the electricity used at the facility will be reduced by approximately 70%.

Having also promoted the implementation of the PPA model at our Tsukuba Logistics Center, which commenced operations in April 2022, we will continue to promote initiatives that lead to the reduction of CO<sub>2</sub> emissions.



**Kazunori Sato**  
Deputy Division Manager,  
Engineering & Administration Division,  
Fuji Logistics Co., Ltd.

# Initiatives for Each of the Six Key Themes

## Examples of environmental measure initiatives

To protect our customers' supply chains and the global environment, we have adopted the concepts of Disaster-Resistant and Eco-Friendly Warehouses and Disaster-Resistant and Eco-Friendly Office Buildings.

Initiatives designed to promote energy saving and the deployment of renewable energy are as follows.

### Initiatives designed to save energy

Under the Disaster-Resistant and Eco-Friendly Warehouse concept, for newly built warehouse facilities we adopted: (1) LED lighting throughout the facilities; (2) the installation of high-efficiency air conditioners; and (3) heat-shielding, high-insulation, double-glazed glass (Low-E glass) with the goal of obtaining CASBEE<sup>\*1</sup> "A" ranking or higher. Osaka/Ibaraki Distribution Center No. 5, which was completed in October 2022, received an "A" ranking from CASBEE Osaka Prefecture.

In existing facilities, besides replacing existing lighting with LEDs, we are actively installing equipment with high energy-saving performance.

<sup>\*1</sup> CASBEE is a method for evaluating the environmental performance of buildings with a system that comprehensively evaluates the quality of buildings in addition to facility installations that show consideration has been given to the natural environment, such as energy saving and the use of equipment with a low environmental burden. This includes the degree of comfort for building users, the consideration given to the building's appearance, and measures to reduce impact on the building's surroundings, such as the effects of light pollution.

### Initiatives for renewable energy deployment

- 1 The power for four office buildings in Tokyo, including the Company's head office Nihonbashi Dia Building, will be switched to electricity derived from substantially renewable energy, which is expected to reduce CO<sub>2</sub> emissions by approximately 5,500 tons per year.
- 2 Promoting the installation of solar power generation equipment having been taken on board by the Group as a whole, we are giving consideration to and installing a variety of methods, including the third-party ownership (PPA) model for solar power generation systems.



### Other initiatives

- 1 The Group obtained Green Management Certification<sup>\*2</sup> from its certification registration organization, the Foundation for Promoting Personal Mobility and Ecological Transportation (Eco-Mo Foundation), which pursues profitability and environmental conservation by promoting environment-friendly business activities. Having obtained Green Management Certification at all five of its branches (six operational bases) in 2005, Ryoso Transportation Co., Ltd. is promoting initiatives designed to reduce environmental burden. Specifically, in its efforts to promote eco-driving to improve gas mileage and reduce emissions of air pollutants, the company has set its own high standards for vehicle inspections and maintenance. The company also introduces into service low-pollution vehicles that meet the appropriate latest restrictions for gas emissions.

<sup>\*2</sup> The Foundation for Promoting Personal Mobility and Ecological Transportation is a public utility foundation that has been certifying and registering business operators making efforts to reduce the environmental burden at a level exceeding the standards outlined in the Green Management Promotion Manual since October 2003.

#### 1. Certification acquisition status of the Company

All offices of the Warehousing Business Division  
Harbor Transportation Business Division  
(Part of the container terminals of the Port of  
Yokohama and the Port of Kobe)

#### 2. Certification acquisition status of the Group

Truck transportation business (Ryoso Transportation  
Co., Ltd. and Kyushu Ryoso Transportation Co., Ltd.)  
and warehousing business (Chubu Trading  
Warehouse Co., Ltd., Kusatsu Soko Co., Ltd., and  
the Warehousing Business Division of Monryo  
Transport Corporation)

- 2 Conducting compliance with the Act on Rational Use and Appropriate Management of Fluorocarbons  
According to the Act on Rational Use and Appropriate Management of Fluorocarbons,<sup>\*3</sup> companies are required to inspect commercial refrigerators and air conditioners, etc. that use fluorocarbons (Class 1 specified products) and report the leakage amount of fluorocarbons from the aforementioned products when it exceeds a specified level. The Company is appropriately responding to the Act by preparing the systems and operational guidelines related to inspection and leakage control. In addition, in fiscal 2022, the Company's calculated fluorocarbon leakage amount was 892.9 [t-CO<sub>2</sub>], which was below the level of 1,000 [t-CO<sub>2</sub>] that is subject to reporting to the Minister of Land, Infrastructure, Transport and Tourism (the minister having jurisdiction over the warehouse industry).

<sup>\*3</sup> Overview of the Act on Rational Use and Appropriate Management of Fluorocarbons (implemented on April 1, 2015)  
The Act requires users (owners, in general) of "Class 1 specified products" (commercial air conditioners, refrigerators and freezers, etc.) to implement a "simple inspection of all specified products" and "periodic inspection by a person with specialized knowledge." Furthermore, it also requires users to report the calculated leakage amount of fluorocarbons if the amount exceeds the specified level of 1,000 [t-CO<sub>2</sub>] per year.

- 3 In overseas initiatives, we are introducing vehicles that comply with local regulations at Shanghai Linghua Logistics.  
Engaged in the warehousing and transportation business mainly in Shanghai, China, Shanghai Linghua Logistics Co., Ltd. has introduced trucks that comply with regulations in line with tightened local exhaust gas regulations and is consecutively disposing of and replacing diesel forklifts. The company also engages in environmental conservation by taking measures other than regulatory compliance, such as installing outdoor lighting equipped with solar power generation systems.



Newly introduced electric forklifts



Outdoor lighting equipped with solar power generation systems

## Response to TCFD Recommendations

The Company announced its endorsement of the Task Force on Climate-related Financial Disclosures (TCFD\*) in June 2022. Based on the framework of the TCFD recommendations, we disclosed information on four items: “Governance,” “Strategy,” “Risk management,” and “Indicators and targets.”

\* An abbreviation for Task Force on Climate-related Financial Disclosures. The Task Force was established by the Financial Stability Board (FSB) at the request of the G20 to consider how climate-related information should be disclosed and how financial institutions should respond.

### Information disclosure of four items based on TCFD recommendations

#### Governance and Risk Management

Roles and composition of each meeting body (as of the publication date of this report)

Meeting body	Role	Members
Board of Directors	Supervise initiatives and goal management related to sustainability issues, including climate change matters	Chairperson: Chairman of the Company Directors: 12 (five of whom are outside directors) Corporate Auditors: Five (three of whom are outside corporate auditors)
Executive Committee	Discuss sustainability issues, including matters related to climate change, as important management issues	Chairman, President, Senior Managing Executive Officers, Managing Executive Officers (seven persons in total) (Observers: Full-Time Corporate Auditors)
Sustainability Committee	Strategy Meeting: Deliberate important sustainability issues Liaison Meeting: Monitor policies and targets related to sustainability issues Subcommittee: Consider countermeasures, including policy proposals	Chairperson: President Members: Chairman, Senior Managing Executive Officer, Managing Executive Officers, and General Managers (Observers: Full-time Corporate Auditors) Administration: Sustainability Promotion Division
Risk Management Committee	Identify, analyze, and consider responses and countermeasures for Group-wide risks, including risks of climate change	Chairperson: Managing Officer responsible for General Affairs Members: General Managers (Observers: Full-time Corporate Auditors) Administration: General Affairs Division
(Sustainability Committee) Subcommittee	Oversee the six key themes. Collaborate with business divisions to formulate roadmaps, etc., including measures to address climate change, and plan, formulate, manage, and promote measures	Establish departments to act as coordinators for each subcommittee

Organizational chart (as of the date of publication of this report)



# Initiatives for Each of the Six Key Themes

## Strategy

Based on below 1.5°C and 4°C scenarios, we identified transition risks (risks associated with the transition to a low-carbon society), physical risks (climate risks associated with the progress of global warming) and opportunities in the short, medium, and long term, and considered the degree of their impact. The mitigation measures and countermeasures for major risks and opportunities are as follows.

In FY2023, the 2°C scenario was revised to the 1.5°C scenario, and the impact was re-evaluated.

### ● Transition risks

In terms of transition risks, as one example, it was found that the impact from carbon taxes and other taxes based on the amount of emissions of CO<sub>2</sub> and other gases (GHGs) that lead to global warming, and the impact from increases in the cost of capital investment and facility replacement to curb the emission of those gases would be significant.

Mitigation measures are to develop Disaster-Resistant and Eco-Friendly Warehouses and propose environment-friendly transportation/delivery in the Logistics Business, and to develop Disaster-Resistant and Eco-Friendly Office Buildings and introduce renewable energy in the Real Estate Business.

### ● Physical risks

In terms of physical risks, it was found that the impact of a decrease in labor productivity due to heatstroke, etc. among workers and others, and an increase in the cost of introducing measures, such as equipment to prevent such problems, would be significant.

Mitigation measures will be to further promote highly efficient work operations, introduce new technologies that make it possible to reduce workload, and promote initiatives to provide a comfortable working environment, including through a review of workstyles.

### ● Opportunities

In the transition to a low-carbon and decarbonized society, there will be a growing need for services with low CO<sub>2</sub> emissions. In addition, the increasing need for temperature-controlled transportation/delivery due to rising temperatures as well as the need for business continuity and the maintenance of supply chains even under circumstances of increased frequency of intensified disasters due to climate change will constitute an opportunity that translates into business opportunities, and its impact was found to be significant.

Countermeasures on the tangible front will be to continue to proactively develop Disaster-Resistant and Eco-Friendly Warehouses and Disaster-Resistant and Eco-Friendly Office Buildings. On the intangible front, we will respond to customer needs by proposing logistics with a low environmental impact, introducing and supplying renewable energy, enhancing the safety of facilities through planned implementation and strengthening of facility repairs and storm and flood damage countermeasures based on our experience in dealing with disasters, etc., and by providing robust logistics services utilizing our knowhow, such as in selecting alternative routes and facilities in the event of a disaster.

## Indicators and Targets

### ● Performance indicators

In the Mitsubishi Logistics Group Roadmap for Realizing a Decarbonized Society (hereinafter referred to as “the Roadmap”) announced in September 2023, the Group published its Mitsubishi Logistics Group Net Zero Declaration and its aim to achieve net zero CO<sub>2</sub> emissions by fiscal 2050.

Going forward, we will be promoting decarbonization in our Group’s businesses and supply chains, focusing on initiatives in the priority areas shown in the Roadmap.

Quantitative Targets	Medium-Term Target (Fiscal 2030)	Long-Term Target (Fiscal 2050)
	<b>50% reduction</b> (compared with fiscal 2013) (Scope 1+2) <sup>1</sup>	<b>Achievement of net zero CO<sub>2</sub> emissions</b> (Scope 1+2) <sup>2</sup>

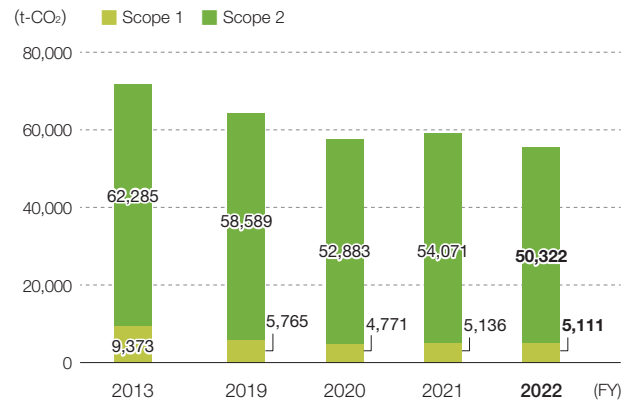
<sup>1</sup> Targeting emissions from the Company and Group companies Fuji Logistics Co., Ltd. and Ryoso Transportation Co., Ltd.

<sup>2</sup> Targeting all emissions related to the business of the Company and domestic and overseas Group companies

### ● Actual results of GHG emissions

Of the GHGs within the scope of the new target values, actual results of CO<sub>2</sub> emissions are as follows. Please refer also to the “Extended version,” which contains data on CO<sub>2</sub> emissions by business.

### CO<sub>2</sub> Emissions (Actual results)



\* To better reflect the CO<sub>2</sub> emission reduction effect due to the deployment of substantially renewable energy, the calculation method has been revised starting with this integrated report.

Item		Description	Logistics	Real estate	Impact period <sup>*1</sup>	Impact <sup>*2</sup>	Mitigation/Countermeasures
Transition risk	Rising GHG emission-related prices	Increases in storage, transportation and delivery costs for logistics businesses and development and operating costs for real estate businesses due to introduction of taxes (carbon tax, etc.) based on GHG emissions; costs will also increase due to the introduction of emissions trading system, etc.	○	○	Short to medium term	Major	In the Logistics Business, we will promote the deployment of Disaster-Resistant and Eco-Friendly Warehouses, which have a low environmental impact, and promote efficient transportation and delivery by proposing environmentally friendly transportation and delivery and promoting modal shifts. In the Real Estate Business, we will promote energy-saving measures, including the deployment of Disaster-Resistant and Eco-Friendly Office Buildings, the installation of and replacement by high-efficiency equipment, and a sophisticated management system staffed by specialized staff while expanding renewable energy deployment.
	Increase in capital investment costs to reduce GHG emissions	To reduce GHG emissions and energy usage, increases in investment and renewal costs for transportation and delivery vehicles and various items of equipment, and for renewable energy deployment costs	○	○	Short to medium term	Major	We will further promote energy saving, utilize public incentives, and invest in transportation vehicles and various equipment based on appropriate specifications that take into account social trends and environmental regulations.
	Drop in sustainability ratings	If an appropriate response is delayed, there is a possibility that an increase in capital costs and debt costs, subordination in acquiring human resources, a decline in ESG evaluation, and an increase in compliance costs may occur.	○	○	Short term	Minor to major	We will advance initiatives under Initiatives for ESG Management and the SDGs, our company-wide sustainability policy, and provide detailed explanations to stakeholders.
Physical Risk	Increasing severity of disasters due to abnormal weather events, etc.	Insurance premiums for facilities and cargo will increase due to the intensification of disasters caused by abnormal weather events, etc. Also, in the Logistics Business, expenses related to facility restoration, compensation for stored cargo, relocation (storage location change), alternative shipping, etc. due to damage to facilities and cargo may occur. In the Real Estate Business, profits will decline due to facility restoration costs and tenant compensation due to damage to office buildings and retail facilities, as well as a diminished ability to attract customers.	○	○	Long term	Minor to medium	In addition to deploying Disaster-Resistant and Eco-Friendly Warehouses and Disaster-Resistant and Eco-Friendly Office Buildings that feature functions to guard against power outages, we are enhancing individual measures such as designing roofs to have structural strength against wind pressure resistance that surpasses the Building Standards Act criteria. We will also strengthen and systematically implement repairs and storm and flood damage countermeasures, make early countermeasure preparations by using systems in the gathering of information on natural disasters, and work to prevent the occurrence of or reduce damage to facilities and stored cargo.
	Rise in average temperature	In the Logistics Business, there will be an increase in air-conditioning costs for facilities such as warehouses and transportation and delivery vehicles, and for owned properties in the Real Estate Business. Increased risk of heatstroke and decreased labor productivity due to heat stress, increases in personnel costs and in costs for countermeasures, such as installation of high-efficiency air-conditioning equipment.	○	○	Long term	Minor	While working with customers to implement energy-saving measures, we will promote the deployment of Disaster-Resistant and Eco-Friendly Warehouses and Disaster-Resistant and Eco-Friendly Office Buildings that have a low environmental impact as well as upgrade existing facilities to have high-efficiency equipment.
	Rises in sea level	Increases in costs for measures such as facility reinforcement in preparation for flood and storm surge damage	○	○	Medium to long term	Medium	In conjunction with the introduction of new technologies that enable more efficient operations and reductions in workload, we will promote initiatives to provide more comfortable working environments, including reviews of workstyles. When constructing a new facility, we will carefully investigate the risk of natural disasters and consider locations, specifications, etc. to minimize the cost of countermeasures. In the case of existing facilities, measures including relocation will be promoted depending on the level of risk.
Opportunities	Reduce energy costs by improving energy efficiency	In the Logistics Business, reduce energy costs by introducing EVs, switching to LED lighting systems, highly efficient warehouse operations, improving joint delivery/loading rates, improving container terminal operations and other initiatives	○		Short to medium term	Medium	In terms of "hard" (tangible) aspects, we are expanding the introduction of ZEV transportation and delivery vehicles such as EVs, hybrid cargo handling equipment, and the use of renewable energy while deploying Disaster-Resistant and Eco-Friendly Warehouses with low environmental impact. We will assess research and development trends in new technologies such as biofuels and hydrogen. On the "soft" (intangible) front, in transportation and delivery, we will bring about cost reductions by working to improve energy efficiency through, for example, the promotion of environmentally friendly transportation and delivery services that do not prioritize lead times.
		Reducing energy costs in the Real Estate Business through a raft of measures designed to improve energy efficiency		○	Short to medium term	Minor	We will improve facility energy efficiency through the deployment of low-environmental impact Disaster-Resistant and Eco-Friendly Warehouses and Disaster-Resistant and Eco-Friendly Office Buildings and the promotion of energy-saving measures, such as the installation of and replacement by high-efficiency equipment. On the basis of an advanced management system run by specialist staff, improvements in energy efficiency will lead to cost reductions.
	Respond to transition to low-carbon/decarbonized society	Increasing needs for facilities with high-level environmental performance and services with low CO <sub>2</sub> emissions, such as joint delivery and use of renewable energy	○	○	Medium term	Medium	In terms of the "hard" aspects, we will actively promote low-environmental impact Disaster-Resistant and Eco-Friendly Warehouses and Disaster-Resistant and Eco-Friendly Office Buildings. On the "soft" front, we will work to increase revenue by responding to customer needs. This will be achieved in the Logistics Business by proposing logistics with low environmental impact—such as environmentally friendly transportation and delivery services, modal shift, and joint delivery—and in the Real Estate Business through the installation and supply of renewable energy electricity.
	Adapt to climate change	Due to rising temperatures, there will be an increasing need for temperature-controlled transportation and delivery services, including for products that previously did not require temperature control.	○		Medium to long term	Medium	In addition to pharmaceuticals that are not subject to temperature control, we will work to expand revenue by responding to customer needs. This will be achieved by applying our pharmaceutical distribution center storage and the low- and constant-temperature technology and know-how of DP-Cool, which is a pharmaceutical transportation and delivery service, to the transportation and delivery of products other than pharmaceuticals.
In the situation where natural disasters are becoming more severe and occurring with greater frequency due to climate change, there are increasing needs from customers who say that they want to be able to maintain business continuity and their supply chains.		○	○	Medium term	Medium	We are actively working to deploy Disaster-Resistant and Eco-Friendly Warehouses and Disaster-Resistant and Eco-Friendly Office Buildings, which are equipped with a range of business continuity functions. We will heighten the safety of facilities through the systematic implementation and reinforcement of facility repairs and wind and flood damage countermeasures. By leveraging its know-how in selecting alternative routes and handling facilities to provide robust logistics services in the event of a disaster, the Company also aims to expand revenue by responding to customer needs.	
Provide climate change response-related services	Increasing need for visualization of CO <sub>2</sub> emissions in supply chains and for reduction in CO <sub>2</sub> emissions	○		Short to medium term	Medium to major	By proactively proceeding with system development, we will expand CO <sub>2</sub> emission visualization services. We also aim to expand revenue by developing and providing solutions to customers to reduce their CO <sub>2</sub> emissions, such as by proposing logistics bases and transportation routes.	

\*1 Short-term: Estimated to commence within three years; Medium-term: Estimated to commence around 2030; Long-term: Estimated to commence around 2050.

\*2 Quantitative items: Less than ¥100 million is classed as minor; less than ¥1.0 billion medium, ¥1.0 billion or more major. Qualitative items: Comprehensive judgments based on quantitative items, etc.

## Initiatives for Each of the Six Key Themes



### Cutting-Edge Technology, Innovation

**We provide advanced quality control and high value-added services through collaboration between employees who support society and cutting-edge technologies**

By promoting the improved efficiency and sophistication of logistics operations and facility management and supporting people active at logistics sites, we will work to resolve social issues such as labor shortages and contribute to the development of society and business both domestically and internationally.



#### Priority Measures and Measures through Business Activities

##### Improve the efficiency and sophistication of logistics operations and facility management

- Achieve highly efficient operations through collaboration between labor-saving technologies, such as robotics, and human beings
- Collect and analyze data collected in-house and data provided by customers and business partners, etc., as big data, and add the expertise we have gained to date to realize the automation and optimization of business decisions through AI, business process automation and labor saving, and the increased value of services, etc.

##### Develop logistics platform services

- Build a logistics platform utilizing blockchains and other digital technologies to achieve the visualization of comprehensive supply chains and advanced quality control, thereby contributing to solving customer issues
- At the same time, promote the visualization and reduction of CO<sub>2</sub> emissions to contribute to customers' decarbonization efforts

#### Performance Indicators and Targets

##### DX, IT-related investment amount

###### Target values for FY2030

**Cumulative investment of ¥50.0 billion for FY2021-FY2030**

Investment in reformation of services and business models based on the needs of customers and society using data and digital technology, and transformation of operations, organizations, processes, and corporate culture/climate

#### Fiscal 2022 Topics and Initiatives from Fiscal 2023 Onwards

Aiming to improve the efficiency and sophistication of logistics operations, we have formulated standard work flows and DX measures that utilize advanced technology for each priority area. We have implemented initiatives to achieve highly efficient operations through cooperation between technology and personnel, including demonstration experiments of automatic forklifts, introduction of an image inspection system, and optimization of personnel allocation using AI. We have also expanded the functionality of our ML Chain pharmaceutical logistics platform, which began operations in January 2022, and expanded the scope of its application to multiple customers.

To accelerate DX promotion, in fiscal 2023 we plan to establish model warehouses for each priority field and prioritize the introduction of solutions suited to the characteristics of each field. Additionally, we will further strengthen the functionality of ML Chain, thereby assisting supply chain visualization and contributing to advanced quality control. Furthermore, we will collaborate with start-up companies, invest in venture capital, participate in acceleration programs, etc., and use the knowledge and technology gained through these efforts to develop new businesses.

Additionally, we will implement the MLC Innovation Program with the aim of increasing the corporate value of our Group.

We will solicit free new business ideas from all employees, and those with promising ideas will be transferred to the departments that handle business development. We aim to realize new businesses through a training and research and development period totaling one year.

In the years to come, we will leverage internal and external knowledge and technologies to improve productivity and increase the sophistication of our services.





## Toward solving social issues through business

The Company promotes the introduction of new technologies that support people’s work, finding solutions to labor shortages in logistics and alleviating the burden on workers in the field. This in turn fosters a spirit that welcomes challenges and leads to job satisfaction. The introduction of the GEEK shelf-transport robot, as seen in one of the case studies, minimizes worker operations and allows for the receipt and shipment of small quantities of multiple-lot products, enabling the Company to respond flexibly and without delay to fluctuating product volumes.

We introduced heavy-duty picking equipment at the Misato No. 1 Office in Saitama Prefecture. This has enabled picking and inspection operations, which had been conducted in separate processes, to be performed simultaneously, thereby substantially improving on the number of manhours required by onsite workers. After having finished their duties, workers can assist others by providing support with their tasks, and through DX, we address the issue of manpower shortages in logistics by promoting enhanced efficiency and productivity.



Main initiatives are as below.

### Main initiative 1

The Company earned a place on “Noteworthy DX Companies 2023” in Digital Transformation Stocks (DX Stocks) 2023, which are jointly selected by the Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange (TSE).



**DX注目企業2023**  
Digital Transformation

### Main initiative 2

#### Increase efficiency and sophistication of logistics operations and facility management

- Introduction of digital technology (AGVs, automated forklifts, shelf-transport robots) optimized for logistics sites
- Use of robots to achieve streamlined operations and optimized number of personnel
- Making use of AI to optimize distribution of cargo and personnel
- Flexibly adapting to fluctuations caused by seasonality, etc.

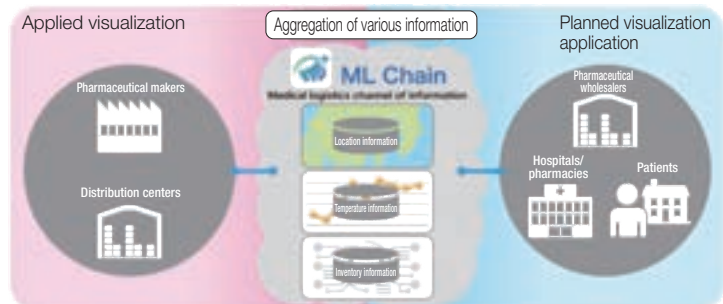


Image of robot introduced at warehouse (SharE Center misato)

### Main initiative 3

#### “ML Chain,” a logistics data platform for pharmaceuticals

- Realizing sophisticated advanced pharmaceutical quality control
- Maintaining a stable supply of pharmaceuticals
- Expanding the scope of visualization of international logistics, etc.
- Utilizing for optimization of pharmaceutical inventory levels
- Support for establishment of new distribution schemes, such as direct delivery to patients' homes
- Automation of business processes • Labor saving and reduced workload



By achieving visualization across the entire supply chain, our aim is to realize a high degree of pharmaceutical product quality assurance and sustainable logistics.



### VOICE

#### DX promotion through data analysis

As one of our DX initiatives, to promote supply chain visualization and streamlining, we constructed a data analysis platform (a group of systems centered on a database that performs large-scale calculations) that will visualize WMS and other data. This will allow us to easily provide suggestions for inventory management, etc. to the representatives of existing customers. Some offices have begun using the system to visualize the number of inventory days and past inventory control status.

For new customers, we support proposal-based sales activities by providing trial calculations of freight rates, which logistics companies set in a complicated manner, and help to analyze the optimal location of their bases. By consolidating the knowledge gained from our analyses to date and developing applications for simple calculations, we aim to make it possible to offer optimal logistics proposals to as many companies as possible.

With a view to the future, we will investigate the construction of an MLOps (machine learning operations) environment that enables not only visualization but also the development and operation of machine learning, such as workload forecasting based on cargo volume forecasts and anomaly detection in inspections. Our sights are set on improving operational efficiency and added value.



**Hiroto Hamano**  
Digital Transformation Team,  
Information Systems Div.

# Initiatives for Each of the Six Key Themes



## Partnerships

**With an eye toward building a sustainable society, we are working shoulder-to-shoulder with our partners to develop new businesses at the forefront of industry.**

Based on our unwavering sense of mission and integrity as essential members of the economy, we will create the pillars of business that solve social issues and improve profitability through open innovation, driven by CVC and M&A.



### Priority Measures and Measures through Business Activities

#### Collaborate with startups and companies in other industries

- Optimize development and create new businesses through open innovation with CVC, etc.

### Performance Indicators and Targets

#### CVC\* fund's managed amount

##### Target values for FY2030

**Establish a CVC of ¥5.0 billion**

\* An abbreviation for "Corporate Venture Capital." A business practice in which companies form funds with their own corporate capital to invest in and support unlisted startups that may be related to their business or be advantageous for their core business in the future.

### Fiscal 2022 Topics and Initiatives from Fiscal 2023 Onwards

In fiscal 2022, in anticipation of the synergies to be gained on new business creation and streamlined operations, we directly invested in two companies, in Rapyuta Robotics Co., Ltd. for verification testing of the automated forklift business and collaboration to enhance flexibility with complex warehouse operations, and in TradeWaltz Inc., which operates a platform business to digitize trading practices.

We invested in a fund that aims to support companies taking on the challenge of transforming the real estate and logistics industries (BizTech Fund\*). Through this investment, we seconded employees to the Fund to develop human resources with expertise in investing in startup companies.

\* The abbreviated name of Mercuria BizTech Investment LLP, formed by Mercuria Investment Co., Ltd. and ITOCHU Corporation.

In fiscal 2023, we made a new direct investment in Hacobu Co., Ltd. with the aim of improving the efficiency of transportation and delivery operations and visualizing and reducing CO<sub>2</sub> emissions in anticipation of the 2024 issues\*. This investment will enable us to work more closely as we aim to resolve such issues and to develop new business areas.

We also formed a CVC with a capitalization of 5 billion yen, and along with that, formed MLC Ventures, Ltd. In addition to creating new businesses and reforming business models in the logistics and real estate business areas, we will accelerate investment and collaboration in startups this fiscal year with the aim of developing new businesses in peripheral areas.



\* A generic term for the various problems that will arise because of the Workplace Reform Law limiting annual overtime to 960 hours for "driving work" from April 1, 2024.



### VOICE

#### CVC fund composition

MLC Ventures, Ltd. manages and operates MLC Innovation No. 1 Investment Limited Partnership, a corporate venture capital (CVC) fund, with its co-partner Yui Capital Partners Co., Ltd. I was seconded to an outside venture capital firm to acquire investment know-how and insights, and subsequently established the company and created the CVC fund.

Operations began in June 2023, initially investing in startups that generate business synergies, with a focus on logistics and real estate. In addition, we will invest in other areas that will help solve social issues, such as environmental measures and SDGs compliance. In the future, we aim to create the pillars of our future business, cultivate new customers, and improve the quality and profitability of existing operations.



Yasufumi Shimizu  
MLC Ventures, Ltd.



## Human Resource Development, Employee Satisfaction

**We will provide customer-oriented, highly value-added, quality services by promoting growth and enhancing the engagement of our people, who are the source of our value creation.**

The Company, which has a history of 137 years woven together by the power of its people, strives to develop global talent to pave the way for the next era, while focusing on establishing a positive work environment and building personnel and training systems.



### Priority measures and measures through business activities

#### Develop personnel and welfare programs that value each individual employee

- Establish a personnel system that accommodates a variety of workstyles
- Create an environment that helps balance work and life

#### Develop human resources with global perspectives

- Develop human resources with global perspectives through expansion of training programs, etc.

### Performance Indicators and Targets

#### ① Ratio of regional general employees

##### Target values for FY2030

**Ratio of regional general employees**

**30%**

General employment for limited workplace regions introduced in April 2021 for realizing diverse and flexible workstyles

### Fiscal 2022 Topics and Initiatives from Fiscal 2023 Onwards

#### ① Establish a personnel system that accommodates a variety of workstyles.

The Company strives to improve worksite environments in which every employee can fully demonstrate his/her individuality and competence.

##### ● Regional system for general employees

In order to achieve the MLC2030 Vision, it is necessary to encourage the active participation of employees more than ever, which requires strategic human resource development and human resource allocation.

As a characteristic of the Company's Logistics Business, maintaining the certainty and quality of operations at each office, which are our logistics sites, forms the basis of the services we provide to our customers, and the stable allocation of employees who have the experience and knowledge of those operations is essential.

In recent years, in view of the fact that there have been cases where general employees are unable to accept transfers due to family circumstances, etc., and it is difficult for them to carry out their duties without limiting the areas in which they work, we have established two types of general employees: "general employees (no limits on workplace regions)" and "regional general employees (limits on workplace regions)" whose aim is to strengthen the on-site and sales capabilities in each region, in order to secure and develop future management personnel and ensure a work system that is more suitable for employees to demonstrate their abilities. Although screening is necessary, the system allows employees to switch between these categories in accordance with their personal circumstances. As such, we expect it to contribute to an improvement in employee satisfaction.

General employees have the opportunity to convert to regional general employees once a year when the Company allows job category changes. In the future, we also expect cases where an employee who once became a regional general employee due to family or other circumstances would convert back to a general employee position upon the resolution of such circumstances.

The Company also actively recruits both new graduates and mid-career resources for regional general employee positions.

# Initiatives for Each of the Six Key Themes

## Performance indicators and targets

### ② Ratio of employees taking child-care leave

Target values for FY2030

**Ratio of employees taking child-care leave** **60%**

System that allows male and female workers who are raising a child under the age of 2 to apply to take leave for child-care until the child reaches the age of 2

## Fiscal 2022 Topics and Initiatives from Fiscal 2023 Onwards

### ② Develop personnel and welfare programs that value each individual employee

#### ● Uptake of childcare leave by male employees

To help raise next-generation children and encourage female empowerment, we believe it is important not only to meet our target for the ratio of female managers, but also to promote the uptake of childcare leave. In addition to spreading awareness of the Amended Childcare and Family Care Leave Act, the Company checks the intent of those employees eligible for leave of absence and also offers diversity management training to managers. By doing so, we seek to make progress in ensuring a fulfilling work-life balance for our employees.



#### VOICE

### Taking paternity leave

A new paternity leave system (childcare leave after childbirth) to promote the uptake of childcare leave by men was introduced in October 2022, in tandem with the law amendment. I took advantage of this and took a four-week paternity leave when my second and third children, twins, were born.

Based on my experience caring for my first son, I originally had a vague idea that I would somehow manage. However, every day turned out to be more physically demanding than I had imagined as I became so busy preparing milk for the twins and changing their diapers while taking care of my firstborn, who still needed a lot of attention. Still, as a result of devoting my time to housework and childcare and effectively sharing tasks with my wife, I became competent enough to take care of my children on my own. I am now able to give some time off to my wife, who tends to be overburdened with housework and childcare.

At the same time, I had the valuable opportunity to experience our children's growth firsthand. I am very grateful to my colleagues at work for supporting my childcare leave.



**Takayuki Masuda**

Legal & Stock  
Section  
General Affairs Div.

### ③ Ratio of employees with experience in overseas assignments

Target values for FY2030

**Ratio of employees with experience in overseas assignments** **25%**

General employees with experience in overseas assignments (including training programs)

### ③ Develop human resources with global perspectives

The Company actively seeks to develop personnel with global perspectives by providing overseas work experience. For this, we have stepped up our overseas dispatch program targeting young employees. From FY2023, we have decided to increase the number of employees being dispatched. We also plan to have some of these employees gain experience not only in the logistics business but also business administration at certain companies on the receiving end.

For employees who have yet to reach the years of service eligible for the dispatch program, we provide global mindset training as part of their level-specific training sessions so that they become motivated to apply for the training.

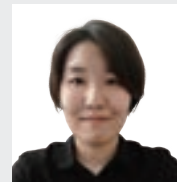


#### VOICE

### Participating in the overseas dispatch program for young employees

Through this program, I worked at Mitsubishi Logistics Europe B.V., engaging in operations associated with international transportation. Being tasked with making logistics service proposals in Europe, I was able to gain a lot of new knowledge. I was also required to understand the regulations in countries outside of Europe, where the business counterparts of our European corporate customer were located. This made me keenly aware of the importance of working with extensive knowledge of international transportation. Many of my experiences there were ones I would not have gained through my work in Japan alone, so participating in this program was an extremely valuable opportunity for me.

I intend to make use of the experience and knowledge I obtained through this program to tackle the resolution of customer issues from various perspectives. At the same time, I hope to apply them to pursue personal growth.



**Yurika Tachibanaki**

Sakurajima No. 2  
Office  
Osaka Branch

## Basic principle underlying personnel affairs

The Company's basic principle for personnel affairs is to support employees' growth and enrichment of their work and family lives while making full use of the resulting sustainable progress of the Company to achieve mutual value enhancement between the employees and the Company.

To realize this principle, we seek to improve employee job satisfaction and ease of working through the introduction of various personnel and educational systems, thereby creating an environment where our employees can demonstrate their individuality and competence to the fullest. We believe that promoting human capital-oriented management leads to improvement of the value-added services we provide. Furthermore, while we do not tolerate any bullying or harassment, to handle the

situation should such incidents occur, we have in place an in-house whistleblowing hotline that ensures confidentiality. As a preventive measure, all managers are also required to take anti-harassment training.

For personnel systems, we have introduced childcare leave, reduced working hours, nursing care leave, and general care leave to further bolster work-life balance toward raising next-generation children.

## Initiatives toward employee job satisfaction and growth

To strengthen the Group management base, we will strive to improve employee satisfaction, ensure diversity of human resources, foster personnel with global perspectives, address work style reforms, and develop digital talent, thereby enhancing engagement.

### Conducting an engagement survey

The Company has upheld the improvement of employee satisfaction as an initiative under one of the basic policies of its Management Plan (2022–2024), "5. Strengthen the Group management base." To put this initiative in motion, in November 2022, an engagement survey was conducted at the Company and its domestic consolidated subsidiaries for the first time.

The overall score of affirmative replies in the survey was 45.3%, and an analysis of the results showed that "young employees' sense of fulfillment from work" and "female empowerment" were priority issues. In FY2023, we will seek to improve employee engagement by tackling these issues.

#### Engagement survey results (ratio of replies)

Affirmative 45.3%	Neutral 36.4%	Negative 18.3%
----------------------	------------------	-------------------

### Improving engagement

We will drive efforts to create an environment where each employee can feel at ease and have a sense of fulfillment from work.

#### ● Hosting town hall meetings

From July 2023, the President and other officers have been visiting the sales offices nationwide to hold face-to-face town hall meetings.

#### Purpose of the meetings

- To encourage each employee to share the management perspective and develop a sense of ownership in taking on initiatives by having the President communicate the Company's management and sustainability issues directly.
- To draw insights for future management policies by listening to the ideas, proposals, and opinions on initiatives from a wide range of employees, regardless of gender or age.

At the first meeting, the participants engaged in active discussions based on a questionnaire distributed in advance. Among the specific issues covered were the setting of goals for the future, collaboration with external partners, the introduction of EV trucks, and going paperless.



## Initiatives for Each of the Six Key Themes

### ● Job satisfaction for young employees

In light of the engagement survey results, to boost our young employees' sense of fulfillment from work, we will press on with initiatives for self-driven career development that allow the young employees to envision their career paths with hope for the future. Additionally, we will work to elevate the skills of the managers to practice optimal management so that young employees can demonstrate their individuality and competence to the fullest.

We will also seek to foster a mindset in which the young employees can take pride in their work as essential workers. For this, we will effectively disseminate our corporate philosophy, the MLC2030 Vision, and the Medium-Term Management Plan and encourage the young employees to acknowledge once again the Company's raison d'être, direction, and the social significance of their work.

### Working to enrich the lives of our employees and their families by expanding welfare programs

Based on the three key concepts of "providing peace of mind," "recreation," and "promoting home acquisition," the Company offers various programs aimed at enhancing employee benefits.

#### Main welfare programs

##### 1. Providing peace of mind:

Retirement benefits, corporate pension, family allowance, housing allowance, condolence money, money gift for childbirth, stock ownership plan, group insurance, pension savings plan, multi-purpose loans, corporate housing for transferees

##### 2. Recreation:

Company-owned recreational facilities, in-house sports tournament (baseball, tennis, and futsal), martial arts tournament of the Mitsubishi affiliated companies, special incentive vacation (for long-tenured employees and mid-level employees)

##### 3. Promoting home acquisition:

Savings plan for housing, in-house loans, loans from affiliated parties

### Seeking to further improve work-life balance for raising next-generation children, and other purposes

With the Act on Advancement of Measures to Support Raising Next-Generation Children taking effect, the Company has formulated an action plan to help employees balance their work and family lives.

Accordingly, we introduced several systems, including childcare leave, reduced working hours, nursing care leave, general care leave (paid), and family care leave (paid). In addition, we introduced a system to grant paid leave systematically (six days per year) under the cooperation of labor and management to actively promote the uptake of annual paid leave and reduce annual working hours.

### Creation of an environment that supports the balancing of work and family life

#### ● Questionnaire survey on childcare leave

We conducted an in-house questionnaire survey on childcare leave with a view to creating an environment where employees can feel at ease taking the leave. Using the questionnaire results as a reference, we plan to revise the personnel system and conduct in-house training to promote the uptake of childcare leave.



#### ● Childcare leave handbook

We will create an in-house handbook featuring information on internal systems useful for child-rearing and stories from male and female employees who have taken childcare leave. We hope to support the diverse work styles of employees by providing this handbook as a source of reference.

#### ● Introduction of a "comeback" system

The "comeback" system was introduced to promote the reemployment of former employees. Under this system, we expect employees who left the Company due to reasons such as childcare, nursing care, and spouses' office transfers to return as work-ready resources once these reasons have been resolved. With the recent diversification of work styles, especially among young people, we also hope to see new perspectives brought into the Company by rehiring employees who have gained experience and honed their skills through job changes to other companies.

### Implementing occupational safety and health measures to maintain and improve employee health

To faithfully fulfill the duty to care for employee safety as a company, we proactively implement measures to maintain and improve employee health.

#### ● Periodic health checkup

We conduct periodic health checkup once a year, working to expand the number of test items for lifestyle diseases, among other initiatives. In recent years, long working hours have become a social issue. To prevent health damage due to overwork, we have a system in place to thoroughly provide those employees working long hours with guidance based on interviews with industrial physicians.

### Working on mental healthcare initiatives focusing on prevention and avoidance of recurrence

We place utmost importance on caring for the mental health of our employees in an organized and continuous manner so that each employee can work vibrantly at the Company.

In accordance with the Guideline for Maintenance and Promotion of Mental Health of Workers set forth by the Ministry of Health, Labour and Welfare, the Company has implemented various initiatives aimed at mental healthcare. For instance, we have worked to enhance in-house education and training, develop persons in charge to be placed at the worksites, introduce a stress check program based on the Industrial Safety and Health Act, and bolster our network through partnerships with outside specialist organizations.

## Policy and efforts on health and safety

### ● Our policy and stance

As a fundamental premise for practicing sincere and fair corporate activities, the Group prioritizes the safety and health of its employees and all people involved in its business operations. Based on this understanding, we will strengthen the group-wide safety management system for the above stakeholders and promote efforts toward occupational safety and health at each business division and office.

### ● Efforts to strengthen the group-wide safety management system

The Safety Promotion Section within the Personnel Division engages in efforts to prevent occupational accidents at the Company and other companies entrusted with operations, as well as to raise employee safety awareness. The section has built a system to report accidents involving personal injury so that information can be delivered to the management promptly in the event such accidents occur. Additionally, the section uses the safety promotion bulletin board to disseminate to each logistics site various information on accidents and occupational safety and health, statistics and analyses on accidents, and other information useful for accident prevention. By doing so, it endeavors to elevate safety awareness across the Company. Moving forward, the Safety Promotion Section will collaborate with other business units to further promote initiatives for group-wide prevention of occupational accidents, including the introduction of safety measures that utilize advanced technology.

### ● Working toward prevention of occupational accidents

The offices collaborate with each other in their efforts to ensure occupational safety and health. Each branch holds Health and Safety Committee (referred to as the Health Committee at the head office) or Health and Safety Council meetings to provide an opportunity for individual offices to share information on occupational safety and health initiatives. Such offices include those of companies to which we outsource cargo handling and other operations. Additionally, by offering safety and health education at each office and conducting safety patrols within and outside the facilities, we make every effort to prevent occupational accidents with the aim of reducing their number to zero.

### ● Initiatives undertaken by the Warehousing and Distribution Business Division

The Warehousing and Distribution Business Division works to prevent accidents by promoting safety patrols, among other measures. Each sales office of the division (including some offices of the International Transportation Business Division) conducts safety patrols. During these patrols, employees of the Company and the companies entrusted with operations make the rounds at the warehouse sites to check the facilities and the conditions of cargo storage while being attentive to preventing COVID-19 infections. Depending on the results of these checks, meetings are held to implement accident prevention measures so that the safety of the employees and cargo is maintained.

### ● Initiatives undertaken by the Overland Transportation Business Division

Ryoso Transportation Co., Ltd. understands that securing cargo transportation safety is the cornerstone of its business operations. Accordingly, all its employees work as one to secure safety by placing the highest priority on improving transportation safety. Furthermore, Ryoso Transportation conducts internal audits on compliance with the Motortruck Transportation Business Act, and the Road Traffic Act, etc. to spread awareness and promote thorough adherence to related laws and ordinances. At the same time, it consistently inspects the safety of the cargo transportation business in full recognition of the public nature and significance of the services being offered. Daily activities aimed at preventing accidents include holding safety meetings, conducting safety patrols, holding all-branch meetings of sales representatives, and thoroughly practicing the use of high-performance alcohol detectors during roll calls at all vehicle-dispatch bases. Additionally, Ryoso Transportation makes effort to ensure occupational safety and health by conducting periodic health checkups that include test items for lifestyle diseases and by providing guidance and education to drivers based on the results of periodic driving aptitude tests.

### ● Initiatives undertaken by the Port and Harbor Transportation Business Division

The receipt and delivery of various types of cargo at ports and harbors call for a wide variety of cargo handling operations. To conduct these operations safely and smoothly, each worksite implements diverse initiatives based on the measures formulated specifically for each site. Additionally, case studies of occupational and cargo accidents are presented for review at daily morning meetings and monthly safety and health meetings with business partners to raise awareness and consolidate the stance of the workers regarding safety and health. As an example of its effort to address the rapidly changing worksite environment, the Port and Harbor Transportation Business Division reviews the format of the safety patrols conducted regularly, boosting the inspection menu while paying attention to the prevention of COVID-19 infections. In this way, it seeks to grasp the situation and improve the worksite environment. It believes that safety and the prevention of occupational accidents result from the efforts to constantly search for new ways to improve safety and health, while actively engaging in conventional safety promotion activities and not neglecting daily activities that drive motivation. Specific initiatives also include participation in outside seminars and training sessions.

In FY2022, there were 11 occupational accidents<sup>\*1</sup> at the Company.

We will make every effort to reduce the number of such accidents by continuing to work on ensuring employee safety and health.

<sup>\*1</sup> Scope: All workers of the Company and its domestic consolidated subsidiaries (including dispatched workers and workers seconded to Mitsubishi Logistics). Excludes employees seconded to other companies, etc.

## Appropriate working environment

An appropriate working environment stabilizes one's standard of living, gives purpose to life, and is indispensable to productivity improvement and the development of human resources. For this, we will focus on the labor-management relationship, strive to prevent overwork, and take on initiatives, being fully aware that ensuring worker safety and developing and training human resources are among the issues that need to be addressed.

### Focus on labor-management relationship

The Company values communication with the labor union. The labor agreement concluded between the Company and the Mitsubishi Logistics Labor Union is grounded in cooperation between labor and management and defines the responsibilities of the Company and those of the union as follows.

#### 1. Responsibility of the Company

The Company shall make active efforts to maintain and improve working conditions and enhance the welfare of its employees to improve their status and provide them with a stable life.

#### 2. Responsibility of the union

The union shall strive to maintain order in the workplace, promote improvement of work capabilities, and cooperate fully in the Company's business development founded on democratic principles.

Discussions and negotiations between the Company and the union are conducted at the management council meetings attended by the representatives of both parties.

These meetings break down into the Central Management Council meetings involving the Company's main office and the union headquarters and the Worksite Management Council meetings involving the branches and the union branches. Both types of meetings are held once a month.



### Prevention of overwork

The Group strictly abides by the labor laws and regulations of each country and seeks to reduce overwork through stringent management of work hours. As specific measures, we have a system in place where we can constantly monitor the check-in and check-out times of our employees and the work hours they enter into the attendance management system, along with the status of monthly overtime. We also use computer log data to verify whether work hours are entered correctly. To transform the mindset of managers, we hold manager briefings aimed at reducing overtime work and endeavor to have the measure take root by holding workplace meetings for the employees, among other means.

Additionally, at the meetings of the management council and the work hour improvement committee, the Company and the union periodically check the status of overtime work and the uptake of leave of absence. In this way, they share information on effective initiatives to reduce work hours.

## Stance on employment

As a basic policy, the Company respects diversity regarding race, religion, gender, age, physical disability, sexual orientation, and nationality, when hiring employees.

### Recruitment activities

To secure human resources from a long-term perspective and in a systematic and stable manner, the Company has introduced an open entry system, which does not place a preferential weighting on certain schools or faculties. We are fully committed to ensuring fair and impartial screening of applicants.

We disseminate recruitment information using our website and various other media and offer opportunities to a wide range of applicants, including those with specialized knowledge and work experience.



### Employment of elderly individuals

Even before the introduction of a law to promote the employment of elderly individuals, the Company worked to secure employment up to the age of 62 or 63 through several measures. These included finding work for retirement-age employees at affiliated companies and rehiring those with specialized knowledge. With the law taking effect, we currently have a continuous employment system in place where employees who wish to continue working can do so until age 65 based on certain standards. Roughly 90% of retirement-age employees continue to work under this system. Amid the declining birthrate and aging population, we will continue to provide employment opportunities to elderly individuals and offer retirement-age employees, who are highly motivated to demonstrate their abilities, a place where they can thrive as work-ready resources.



## Initiatives for employee growth

We improve the personnel system and expand the training programs to foster human resources who can contribute to the development of society through our business operations.

### Improving the personnel system to create a workplace where employees can demonstrate their individuality and competence

The Company strives to create an environment in which employees can engage in their work with strong motivation and fully exhibit their individuality and competence.

#### ● Concept image of ideal human resources

With the “Code of Conduct” in mind, every employee aims to undertake a role not only in corporate growth but also in the development of society by conducting himself/herself in the following manner

1. Keep faith in others, and conduct yourself with integrity and a sense of fairness.
2. Conduct yourself autonomously.
3. Respond flexibly to environmental changes.
4. Demonstrate expertise and act with a sense of creativity.
5. Have a good teamwork spirit and cooperate with your colleagues.

#### ● Self-reporting system

Under the self-reporting system, employees are asked once a year to report the level of satisfaction with their current job assignment and to present their career plans. The report form not only comprises items regarding job assignments but also covers items pertaining to the life plans of individual employees. The reported content is utilized in deciding personnel transfers and designing career paths, among other purposes.

#### ● Employee evaluation and treatment

The Company determines the treatment of employees based on an evaluation system that is fair, transparent, and compelling. We particularly place importance on the meetings between employees and their supervisors held three times a year (at the time of setting goals, for mid-year review, and for year-end review). These meetings serve to deepen communication and are useful in providing employees with appropriate advice on work assignments and career plan development.

#### ● Training system

The Company focuses on developing human resources that can precisely respond to internal and external needs. The Company therefore strives to upgrade employees’ business skills and the organization’s strength through training by service year of employment. At the same time, the Company offers several training programs to raise employees’ expertise such as management capabilities, readiness for globalization and operational capability to enable employees to acquire professional skills in response to the content of their business duties.

We conducted a review to expand the overseas dispatch program, examined the framework of the new system, and identified issues for its introduction.

#### ● Initiatives to improve DX and IT literacy

To improve operational processes and promote the utilization of new technologies as outlined in MLC2030 Vision, the Company introduced a program to foster DX talent. This program entails basic training and practical training through workshops, etc., held in-house and outside the Company. Its purpose is to foster human resources who can drive the DX efforts at each workplace.

We also continued to further expand and promote the usage of RPA by, for instance, regularly offering training sessions to foster in-house RPA developers and establishing a system to award the development of robots that have been adopted in actual operations.



# Initiatives for Each of the Six Key Themes

## Human resource development (training) structure

The Company works to foster human resources who can contribute to the development of society as essential workers.

### ● Programs for developing general employees and regional general employees

#### Basic roles

**General employee:** engages in a wide range of business operations at various locations, including overseas, as a core employee; also bears responsibility for business growth and management

**Regional general employee:** engages in a wide range of business operations, mainly in a specific geographic region; also bears responsibility for business growth and management

	Career stage	Problem-solving	Human skills	Career design	Corporate ethics/compliance	ESG/SDGs	Management	Logistics	Global	Well-being	Self-development	Cross-industry interaction	
General employee	Senior management level			Life planning seminar			Management strategy Deputy GM training				Correspondence course		
	Manager level	Practical training on problem-solving										Health promotion seminar	
Area general employee	Deputy manager level	Training for new managers (understanding of management skills, corporate ethics, etc.)											
	Mid-level employees	Theme-based management training (leadership [mandatory], labor management [mandatory], accounting [mandatory], problem-solving, coaching)						Logistics training <sup>*1</sup>	Overseas business workshop <sup>*2</sup>	Overseas dispatch program for young employees			Mitsubishi marketing workshop
	Young employees	Practical training on business model formulation (action learning to improve perspectives, acquisition of basic management skills)											
		Leader training (problem-solving, followership, career design, etc.)											
	Second-year training (logical thinking, global mindset, safety and health, etc. [some take the logistics training course])												
	1H new hire training/2H new hire training (business etiquette, basic knowledge on the Company's businesses, worksite visits, etc.)												

### ● Programs for developing regional employees

**Basic roles** Exclusively handles business operations of a particular division in a given geographical region; has a deep understanding of the business traits, is well-versed in the operations, and bears the responsibility of supporting business growth

	Career stage	Human skills	Career design	Corporate ethics/compliance	ESG/SDGs	Logistics	Well-being	Self-development
	Senior leader level		Life planning seminar			Logistics training <sup>*1</sup>	Health promotion seminar	Correspondence course
	Leader level	Regional manager training (confirmation of role and expectation, leadership)						
	Mid-level employees	Mid-level regional employee training (discovery of own strengths and weaknesses, improvement of communication skills)						
	Young employees	Young regional employee training (problem-solving, career design, etc.)						
		Second-year training (CSR, safety and health, etc. [some take the logistics training course])						
		1H new hire training/2H new hire training (business etiquette, basic knowledge on the Company's businesses, worksite visits, etc.)						

\*1 Main courses offered in logistics training

- Registered customs specialist qualification course
- Warehousing Business Act and contracting practice
- Overview of warehousing practices
- Overview of the Port and Harbor Transportation Business
- Case study course, other

- Fuji Logistics Kaizen System (FKS)

- Course on laws and practices regarding cargo transportation
- Marketing in the service industry
- Overview of the Company's information system and information system trends in the logistics industry

- Safety and health course

- Sales activities in the warehousing business

\*2 Main courses offered in the overseas business workshop

- Bill of lading and NVO operations
- Import marine cargo handling
- Export marine cargo handling
- Overseas logistics proposals, other



# Compliance, Human Rights, Gender

In line with our Code of Conduct based on the spirit of the Three Principles of Mitsubishi's Business Management Philosophy, we will thoroughly exercise compliance and the observance of human rights to become a company that continues to be chosen by the customers.

The Company will lead the way in ensuring strict compliance throughout entire supply chains. We will also focus on respect for human rights and the promotion of female empowerment, with the aim of building a diverse organization.



## Priority measures and measures through business activities

**Promote sincere and fair business activities**  
**Ensure thorough compliance, with awareness of comprehensive supply chains**

- Implement initiatives for adherence to relevant laws and regulations and respect for human rights together with subcontractors

**Promote female empowerment**

- Build a system and create an environment where female employees can thrive

## Performance Indicators and Targets

### ① Response rate for Code of Conduct questionnaire and sustainability questionnaire

#### Target values for fiscal 2030

**Code of Conduct questionnaire and sustainability questionnaire**  
**(formerly, the CSR questionnaire)**

**Response rate: over 90% every year**

Questionnaire on sustainability targeting subcontractors, etc., with close business relationships

### ② Ratio of female managers

#### Target value for fiscal 2030

**Ratio of female managers:**  
**10%**

Ratio of managers among female workers

## Fiscal 2022 Topics and Initiatives from Fiscal 2023 Onwards

- ① Regarding the FY2022 surveys, we conducted the Code of Conduct questionnaire survey after updating its content to raise compliance awareness within the Group. For the sustainability questionnaire, we added questions referring to the human rights policy and conducted the survey with the participation of approximately 60 subcontractors. In June 2023, we also conducted the survey with overseas subcontractors.

The response rate for both the Code of Conduct questionnaire and the sustainability questionnaire exceeded 90%, surpassing the targets we set.

In the field of compliance, moving forward, we will continue the initiatives we implemented in FY2022, conducting the Code of Conduct questionnaire survey within the Group and the sustainability questionnaire survey mainly targeting our subcontractors. We will aim to achieve a response rate of 90% for both. When conducting the surveys, we plan to review the content of the Code of Conduct questionnaire to include compliance-related and other materials deemed necessary at that time. For the sustainability questionnaire, we intend to first formulate and disclose our procurement policy, then include its content in the survey to spread awareness. We also plan to expand the scope of the survey with entire supply chains in mind.

- ② To promote female empowerment, we have set a new target for the ratio of female managers. We will step up our efforts in this area by supporting the self-driven career development of our female employees.

In addition to setting a new target, in January 2023, we formulated the Mitsubishi Logistics Group Human Rights Policy to fulfill our responsibility to respect human rights as a company. In this policy, the Group adheres to the International Bill of Human Rights, the Declaration on Fundamental Principles and Rights at Work advocated by the International Labour Organization (ILO), and the United Nations Guiding Principles on Business and Human Rights. Accordingly, we promote respect for human rights and do not tolerate any manner of child labor or forced labor, including human trafficking. We also prohibit all forms of discrimination and harassment, declare our respect for diversity (human rights, religion, gender, age, disability, nationality, etc.), and seek to become a company that can provide growth opportunities aligned with the strengths, capabilities, and the will of individuals. This fiscal year, we conducted diversity management training for the managers as part of our efforts to respect diversity and individual values. We have also worked to prevent human rights violations such as forced labor and child labor by establishing a whistleblowing system and an external consultation hotline. In FY2022, there were no compliance violations associated with human rights abuses.

[Web](#) Details of the human rights policy

HOME ▶ About us ▶ Management Policy ▶ Mitsubishi Logistics Group Human Rights Policy

As an initiative to demonstrate respect for human rights within our corporate activities, moving forward, the Company will prepare for the implementation of human rights due diligence, incorporating the opinions of external experts.



## Quality Management/Improvement

**Logistics forms part of our customer product quality, and by striving to improve quality, we aim to remain a company that continues to be chosen by customers.**

To provide high-quality services, it is important not only to introduce cutting-edge technology, but also to carry out daily basic operations carefully and carefully. We believe that accumulating people-centered improvement activities without neglecting the obvious will lead to improvements in field strength and quality.



### Engaging in quality management/improvement initiatives by customer-oriented improvements

#### Aiming for the heights of quality from our customers' perspectives

Conducting business based on ideas and actions from our customers' perspectives, we aim to achieve customer satisfaction and also make sweeping improvements to "quality of operations," "quality of business duties" and "quality of the Company." Moreover, to ensure trust from customers, we will build on our efforts at ensuring good quality to become a corporation that can boast "quality" as its strength.

#### Linking employee satisfaction to customer satisfaction

Believing that employee satisfaction (ES) is an essential factor in providing customers with high-quality service, we make great efforts to increase the motivation of each and every employee.

We believe that creating an environment in which our employees can work with confidence and provide customer service with a smile will eventually lead to increased customer satisfaction (CS).

#### We commend improvement activities that will lead to service quality improvement and the streamlining of business processes

In July 2016, the Group introduced a commendation system for improvement activities with an aim to vitalize the voluntary improvement activities. Under this system, every year an award is given to the group that particularly contributed to service quality improvement and the streamlining of business processes.

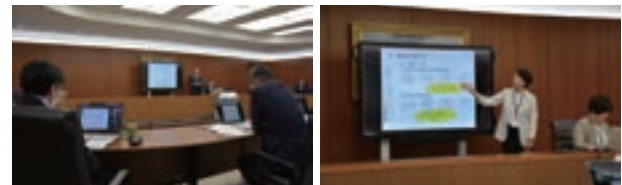
By continuously reviewing operational processes through improvement activities, we will improve the quality of our Group's services while aiming to contribute to the improvement of customer value adopted in the MLC2030 Vision.

In fiscal 2022, 49 groups (337 people) joined the activities, making a cumulative total of more than 2,500 participants. Having carried out activities in accordance with the Mitsubishi Logistics Improvement Procedures on themes they had set themselves, the activity groups reported their results. The content of their wide-ranging

activities included not only reviews of the operation flow lines within warehouses, improving storage efficiency, and enhancing safety measures but also business improvement and the streamlining of clerical work in offices.

The administration provided support to help the activity groups thoroughly analyze problems, identify the causes and perform efficient improvement activities.

Despite being small-scale improvement activities, by continuing Group-wide efforts, the activities may produce great results. To have the improvement activities ingrained in our corporate culture, we will operate the system while sharing activity examples in the Group with the use of an internal database and in-house journal.



General views of fiscal 2022 improvement activity award system review committee meeting

#### Pharmaceutical distribution center 6S methodology activity initiatives

Ensuring the safety of employees and thoroughly in implementing our 6S methodology—*seiri* (sorting), *seiton* (organizing), *seiso* (cleaning), *seiketsu* (sanitizing), *shitsuke* (discipline), and safety—form the basis of quality control and improvement. We believe that it is essential in quality control and improvement to place importance on the obvious things every day and to continue to perform improvement activities. Specific examples are as follows:

- In terms of *seiso* (cleaning), we clean blind areas, such as under air-conditioning units, cargo handling equipment, fixed shelves, and flow racks.



Cleaning under air-conditioning units



Cleaning under flow racks

- In terms of *seiketsu* (sanitizing), we perform maintenance on the assets that support our customers' products, such as wiping away forklift tire marks, regularly repairing floor line tapes, and inspecting the bases of flow racks.



Wiping away tire marks



Repairing floor line tapes

- In terms of *shitsuke* (discipline), we have set up a bulletin board for 6S activities and are working to raise awareness of activities by posting information about their state of progress and mental attitude. Sharing information, including about near miss cases at the center, leads to increased awareness of problem solving.



- In terms of employee safety, we are implementing the following initiatives:
  - Evacuation routes are posted with phosphorescent tape in areas where there is a possibility of being trapped in an emergency, such as a power outage or fire.
  - If there is an obstacle that poses a high risk of contact, a notice will be posted at the entrance stating that there is a dangerous area at the back of the passageway.
  - Installing upright posts in areas where people are likely to run out.
  - Evacuation route maps will be posted at various locations at the center, clearly indicating the emergency exit closest to the reader's current location and the locations of fire extinguishers and fire hydrants.
  - Doors serving as emergency exits are clearly marked "evacuation route" and posted to encourage smooth evacuation actions.

Working together with on-site employees who support logistics, we strive to improve the quality of our customers' products.

### Obtained CEIV Pharma certification, a quality certification system for pharmaceutical air transportation

Having participated in the KIX Pharma Community<sup>\*1</sup> operated by Kansai Airports at Kansai International Airport and in the Narita Airport Community<sup>\*2</sup> operated by Narita International Airport Corporation at Narita International Airport, the Company acquired certification—under the CEIV Pharma air transport quality certification system for pharmaceutical air transportation—for its operations at Kansai International Airport in April 2019 and at Narita International Airport in November 2022. CEIV Pharma certification is a quality certification system for pharmaceutical air transportation promoted by the International Air Transport Association (IATA). The unique aspect of CEIV Pharma certification is that organizations are certified in accordance with the same quality inspection standards worldwide. Going forward, we will continue to provide high-quality pharmaceutical transportation.

In addition, three Group companies—Mitsubishi Logistics Europe B.V. in December 2021, Mitsubishi

Logistics Thailand Co., Ltd. in March 2022, and P.T. Mitsubishi Logistics Indonesia in April 2022—acquired GDP<sup>\*3</sup> certification for each country and region, and as a Group we are working to expand the business and improve the quality of international pharmaceutical logistics services.

\*1 Formed through the collaboration of Kansai Airports and international air transportation carriers that use Kansai International Airport (KIX) in order for each carrier to obtain CEIV Pharma certification with a view to ensuring the high quality of pharmaceuticals freight handling at KIX.

\*2 Formed through the collaboration of Narita International Airport Corporation and international air transportation carriers that use Narita International Airport with a view to obtaining CEIV Pharma certification.

\*3 GDP (Good Distribution Practice): quality control standards in the distribution process of pharmaceuticals

### Confirming the process for bonded operations, etc., under the AEO Program

The Authorized Warehouse Operators' Program, one of the AEO Systems, is a system for certifying managers of bonded warehouses and bonded factories as authorized warehouse operators after they meet set conditions concerning compliance and other regulations. These authorizations ensure preferential treatment such as simplified procedures and exemptions from permit fees, etc. and the Company received approval as an authorized warehouse operator and further enhanced compliance activities in customs-related processes and all other import/export services. In April 2016, the authorization was renewed, and we will continue to strive to provide highly reliable and dependable logistics services for our customers.

Meanwhile, the Company acquired certification as Authorized Customs Brokers under the AEO System in June 2017, and each Group company on the dates shown in the table. An authorized customs broker is a customs clearance operator, subject to various preferential privileges, which is authorized by the customs office to arrange for security management system regarding cargo and companywide compliance system. The Company will further improve the quality of its customer service going forward.



Certificate of AEO Customs Broker (The Company)

\* Systems that provide measures that ease and simplify customs procedures for business operators who have constructed cargo security management frameworks in compliance with laws and regulations, aiming both to secure and smoothen international logistics security, as well as to enhance Japan's international competitiveness.

The policy for implementing and constructing AEO Systems is set within the SAFE Framework of Standards to Secure and Facilitate Global Trade adopted by the WCO (World Customs Organization). Japan's AEO Systems comply with that policy. (Source: Japan Customs website)

#### ■ Status of acquisition of certification as Authorized Customs Broker by the Group

Company name	Date of certification
Monryo Transport Corporation	September 2012
Keihin Naigai Forwarding Co., Ltd.	June 2014
Ryoyo Transportation Co., Ltd.	April 2017
Mitsubishi Logistics Corporation	June 2017
Naigai Forwarding Co., Ltd.	February 2018
Fuji Logistics Co., Ltd.	May 2018
Unitrans Ltd.	November 2019



## Strengthening Risk Management and Information Security

**We have put in place thorough crisis management measures to underpin safety and security so that our customers can use our services with peace of mind.**

We believe that strengthening crisis management and IT security is extremely important not only to support our business model but also to deepen the trust of our stakeholders. We are strengthening our facilities and IT systems in anticipation of emergencies, however unlikely, and promoting employee training.



## Addressing both soft and hard aspects in BCP

To fulfill our corporate social responsibility and live up to the trust society places in us, we have stipulated a basic policy for times when crisis management is being enacted.

The basic purpose of our crisis management measures is also to predict various crises that can seriously affect corporate management, prevent such crises and, if a crisis does happen, focus on the crisis quickly and effectively to minimize human and material damage that would impact corporate management and restore the normal operational structure as early as possible.

As specific initiatives, we have adopted the concepts of “Disaster-Resistant and Eco-Friendly Warehouses” and “Disaster-Resistant and Eco-Friendly Office Buildings” in response to the increasing intensity of disasters and, in terms of systems, have strengthened our all-hazard BCP responses. We are aiming to be resilient against disasters from both soft (intangible) and hard (tangible) aspects and, apart from these measures, are also promoting the strengthening of soft aspects, such as fire prevention measures and IT security.

### ■ Basic policy for times when crisis management is being enacted

#### To fulfill our corporate social responsibility, we intend to:

1. Ensure the safety of employees, their families and related people;
2. Preserve corporate facilities (e.g., the Company’s warehouses, buildings and facilities) and the freight received; and
3. Strive to quickly restore and continue operation.

#### To live up to the trust placed in our corporation by society, we will:

1. Strive to avoid adverse effects on stakeholders (customers, shareholders and business partners), and
2. Contribute to the rapid stabilization of local communities.

## Reinforcing the emergency and disaster measures system

As an emergency measure, we implemented large-scale disaster measure training with mandatory employee participation. In fiscal 2022, although we scaled back the training in view of COVID-19, the training involved the use of a mobile phone safety confirmation system, going to or leaving a work site by walking and checking the

procedures of restoration from disaster damage, etc.

In addition, communication training on the use of transceivers was conducted monthly in the Group companies to acquire the knowledge of its use, in order to strengthen the disaster measures system.

Moreover, by increasing the number of offices implementing the Earthquake Early Warning system, we strive to promptly collect information needed to ensure employees’ safety.



Transceiver (MCA radio)



Earthquake Early Warning System

## Taking measures to prevent fire and respond to the occurrence of fire

Following the fire at a warehouse of a major mail order company in February 2017, the Building Standards Act was amended in June 2019, requiring the formulation of a maintenance plan for fire shutters at warehouses of a certain size or larger. The Company, even before this incident, had been conducting thorough employee education, enhancing security, and taking fire preventive measures from the aspects of structure and facility when constructing warehouses. In addition, we have established a constant communication system with the fire stations responsible for the locations where we are operating and conduct periodic fire drills every year in preparation for the occurrence of fire. Through continuing such measures and initiatives, we will strive to provide highly reliable services for our customers.



Fire prevention patrol



Fire drill

## We have introduced the Disaster Information Communication System (D-DICS)

Previously, a telephone network was to be used for emergency communications between the leased building management offices in the Tokyo metropolitan area and the Company, and between those management offices and the head office of Dia Buil-Tech Co., Ltd., our leased building management company. However, based on the assumption that telephone lines would become overloaded during large-scale emergencies, we introduced the Disaster Information Communication System (D-DICS) jointly with Dia Buil-Tech, using Internet networks that are not prone to overloading even during emergencies. In this way, we have ensured secure information transfer and sharing in times of disaster. (Started operation in September 2017, covering 23 leased buildings.)

The D-DICS system enables real-time sharing of information on the status of damage among relevant parties when entered into the system at each building, and can also carry instructions regarding the damage or other communications.

The introduction of this system brings about the centralization of information, enabling a swift and accurate initial response in times of disaster.

We will continue to work to ensure that the tenants of our buildings can use them with confidence, through the utilization of this kind of system.

## Tokyo Dia Building's in-house fire brigade won the title in the examination board sponsored by a fire station

Dia Buil-Tech Co., Ltd., the management company for the Company's leased buildings, is working to strengthen and enhance the disaster-prevention system companywide.

Every year the company participates in a fire station-sponsored in-house firefighting examination board, whose role is to improve the results and techniques of in-house firefighting activities at operating bases. In 2023, the examination board awarded the first prize in the non-specific applications category to Tokyo Dia Building.

In the future, we will remain committed to giving building owners and tenants a sense of safety and security by continuing training sessions in preparation for disasters.



Tokyo Dia Building, self-defense firefighters

## We are strengthening information security to provide high-quality services that customers can use with peace of mind

To provide the best services for our customers, the Company formulated various rules related to information systems. We have disseminated our information security policy to all executives and employees. To ensure the smooth business activities of the Company, we formulated specific compliance matters as to the use and

management of our in-house network. Also, we appoint a LAN manager from each branch's information system section and OA promotion staff from the relevant section of each division that uses the network, ensuring safety and the effective use of our in-house network. In fiscal 2022, we conducted a web-based questionnaire with regard to information security in November 2022 which was answered by a total of 3,512 persons, including 1,825 persons from the Company and 1,687 persons from Group companies, thereby increasing awareness of information security. As a measure against the kind of cyberattacks represented by targeted e-mail virus attacks, in addition to establishing strong security defense measures through multilayer defense, we are endeavoring to strengthen our security by introducing software that detects suspicious behavior on individual computers to minimize faults and recover rapidly even in the event of unauthorized access.

Furthermore, we are increasing information security, such as by conducting regular training and education on cyberattacks for executives and all employees.

### Management of Information Security

1. Security of customer information (personal information)
2. Security of intellectual property rights
3. Confidentiality obligation
4. Compliance with laws and regulations, obligation of compliance with regulations and penalties
5. Management of information assets
6. Formulation of security measure standards (Development standard, management standard, outsourcing standard)
7. Monitoring and supervision
8. Protecting systems from computer viruses
9. Access authority control
10. Information security education

### Management of Network Security

1. Management of connection to ML-net (In-house network)
2. Rules for e-mail use
3. Rules for dispatching information
4. Rules for connection with networks outside the Company

Also, part of the operations of the Tokyo Branch trunk room office, Dia Systems Corporation (our subsidiary to develop and manage our information system) and Fuji Logistics Co., Ltd. (our logistics subsidiary that plays a central role in the Warehousing Business Division) all acquired ISO 27001 certification, an international information security management system standard, and periodically receive third-party evaluation by a certifying organization, thereby working to improve our information security.

## Dialogue with the Outside Directors



Outside Director

Tetsuya Shoji

Outside Director

Tatsuo Wakabayashi

The Company invites those with a wealth of knowledge and experience in their professional fields to serve as outside directors.

These outside directors provide advice and supervise management from an independent, objective standpoint in order to ensure that the Board of Directors can engage in sufficient deliberations, as well as make swift yet rational decisions.

For this report, we spoke with Tatsuo Wakabayashi and Tetsuya Shoji as outside directors about their impression of the Company, their assessment of initiatives to enhance the effectiveness of the Board of Directors, their expectations for Hidechika Saito as the new president, and the challenges for achieving further growth, among other themes.



## Impressions of Mitsubishi Logistics and Its Sense of Values

**Wakabayashi** Four years have passed since I was first appointed as an outside director. My initial impression upon my appointment was that the Company engaged in every aspect of its business in a serious, earnest, and conservative manner. Although I also felt similarly about the operations of the Board of Directors, my thoughts have changed significantly over the past four years. Led by the outside directors, the Board of Directors has come to vibrantly exchange a multitude of questions and opinions, and is even considering extending the length of the meetings. But of course, the Company's fundamental stance of engaging in business in a serious, earnest manner has not changed in any way.

Even as working from home rapidly expanded during the COVID-19 pandemic, I was highly impressed that the Company continued to operate its worksites as normal despite facing the risk of infection. This was thanks to the strong sense of mission as a company responsible for essential work, more specifically the awareness that the Company must not shut down the worksites of a logistics and warehousing business that formed a part of the social infrastructure. This clearly showed me that the stance of engaging in every aspect of business in a serious, earnest manner is supported by the strong sense of mission and pride as a company that takes responsibility for essential work.

And I hope to see the Company pass this value system on into the future without wavering.

**Shoji** Since joining the Board two years ago as an independent outside director from outside the Mitsubishi Group, my impression has been that the Company is generally conservative, for better or worse, just as Mr. Wakabayashi mentioned. Although it seems to me that the Company lacks a sense of speed because it is so careful, you could also say this means the Company plans and executes business in a meticulous, precise manner. The mindset of exactly storing freight entrusted by shippers and delivering it to the receiving party also shows up in the Company's corporate culture and in its approach to advancing discussions. And I feel this disciplined, conscientious stance is a major positive. Mitsubishi Logistics' executive departments and administrations both sincerely acknowledge the questions posed by the outside directors, and truly engage with us in a forthright manner, for example by flexibly considering revisions to their approach to operating the Board through the provision of extra time so that we can deepen discussions. Yet the Board of Directors is still held in person and essentially relies on paper documents, which is why I feel one of the challenges is the room there is for better utilizing IT, for example, to streamline operations.

## Operations and Effectiveness of the Board of Directors

**Wakabayashi** In 2021, the Board began holding more lively discussions with the additions of Mr. Shoji, who has spent many years working in the field of IT, and Ms. Kimura as a female director with knowledge in the field of health care. Because Mitsubishi Logistics operates as a company with a Board of Corporate Auditors, the Board of Directors serves as a managing board, whereby the process of making decisions following extensive discussion of agenda items functions sufficiently. In order to continue doing so, the outside directors must have a better understanding of the business, though. The Company therefore provides us with briefings to explain each business along with opportunities to tour the warehouses and other worksites, which I also feel is helpful in enhancing the effectiveness of the Board of Directors.

Although the operations of the Board of Directors have improved steadily, at the same time I still feel we should be better informed regarding the process the executive side uses to summarize its opinions prior to discussion by the Board of Directors, as well as the details of those discussions, depending on the matter at hand. As overseas expansion and other central initiatives accelerate, we should also understand the desires and key points of the executive side as part of their discussion process, which I think would allow us to present more accurate opinions and views.

**Shoji** I think the Board of Directors also has a positive approach to conducting its proceedings. In addition to encouraging opinions and questions, the Board always confirms whether deliberations and information required to make final decisions are



sufficient. Despite my limited knowledge regarding the warehousing industry, I ask different questions in part because I am highly curious. Yet the chairperson does more than just prompt explanations from the responsible officer. Instead, in some cases he will also provide his own explanations as president (in fiscal 2022 the president served as chair of the Board of Directors), while other directors with experience involved in the related duties sometimes offer additional explanations including their own specific experiences, which is highly informative. These considerations are one of the reasons I feel that the background behind the decisions finalized by the executive side is clearly presented.

If I were to make one request, though, like Mr. Wakabayashi, I would ask that, when necessary, the Company better clarify the process and discussions from the stage prior to presentation at the Board of Directors, but not necessarily in every case. For example, we should know why the Company chose a specific plan from the different options. As outside directors, we possess a different set of information from the executive side, so such explanations would also serve to bridge this disparity in knowledge. And there are also agenda items where I feel the Company should make a greater effort to draw out a slightly broader range of opinions from the auditors. Moreover, I think that younger business executives should make presentations to the Board of Directors, for example, which would also serve as a good opportunity for them to grow.

**Wakabayashi** As members of the Monitoring Board, the Directors do not supervise every tiny movement by the executive side, but instead primarily monitor decision-making-based results. For example, I will look to better confirm the big picture, including an analysis of factors why budgets are or are not achieved as well as budget results, how to manage these factors, and time limits.

As a member of the current Managing Board structure, as well, I hope to strengthen these overtones.

The quality and volume of materials used by the Board of Directors is fitting, and we are also provided enough time to receive detailed explanations of the important discussion items prior to meetings. Similarly, the volume of proceedings per meeting is also appropriate.

**Shoji** Although this is the most basic stance as an outside director, from the standpoint of questioning if something might appear unusual within the scope of common sense, I make every effort to ask simple questions about anything that seems problematic when seen in general. Which is why I want the Company to pay a little more attention to the materials. Specifically, I would prefer if the materials contained graphs and charts instead of relying on text, and be structured in a way that was understandable at a glance. This would allow the materials to convey to those from outside the Company with limited time all of the information used for making decisions. You can think of us like a kind

of sensor. For example, when we must judge the risks involved in a business, it is difficult for us to do so based on a sentence that states the business is "Safe." Instead, the materials should illustrate the safety of the business using graphs and tables, for example, in a way that analyzes and clearly indicates

the extent of risk, and shows how problems can be minimized using a certain approach to risk hedging. I think this approach would make it easier for us to pass judgement, and allow us to function more accurately as a sensor.

## Expectations for Mr. Saito as the New President

**Wakabayashi** I would first ask Mr. Saito to steadily advance the MLC2030 Vision, and to ensure that it moves forward with a sense of speed.

Having served as the chair of the Nomination and Compensation Committee since 2020, I had the opportunity to interview Mr. Saito when he became managing executive officer and again when the Company appointed him as president. At the time, it seemed to me that Mr. Saito felt the need to take action in response to major changes in society through an approach that differed from existing concepts within the warehousing business, and that he was working to advance reforms with a sense of speed, all while valuing initiatives that were already in place and maintaining the Company's approach to reliably advancing every aspect of business as one of its strengths.

One of the things that impressed me was the extent of his professionalism. I think it is rare to find a

president who possesses highly specialized qualifications as a Labor and Social Security Attorney, Small and Medium Sized Enterprise Consultant, and Industrial Counselor. I understand he acquired his Labor and Social Security Attorney certification in order to become a professional for business purposes when he was a young member of the Human Resources Department.

**Shoji** When Mr. Saito delivered a message to stakeholders upon his appointment as president, I was extremely honored that he also shared the message with us ahead of time and asked for our opinions. After reading his message, I fully sensed his intention to change Mitsubishi Logistics by exercising leadership as the new president, spurring on rolling efforts toward achieving MLC2030 Vision, and driving reforms. And I welcomed this positive start to his voyage.

## Initiatives for Human Capital Management

**Wakabayashi** Two of the Company's extremely constructive initiatives that I intend to fully support are its formulation of a human resource portfolio and the engagement surveys that it conducts. Human capital management necessarily involves an ideal human capital structure as a matter of course, but whether this structure functions properly comes down to the relationships of trust between employees and managers. And this is an area in which engagement is also involved. In response to the desire of employees to learn, for example, the Company must actively create opportunities for them to learn, and not simply offer top-down training. The basis of human capital management is the relationships of trust that form between employees and their managers and the Company, and it is communication that fosters these relationships. The Company must therefore ascertain whether one-on-one meetings are enough, as well as make changes to the IT infrastructure in a way that allows employees

to view the news they want to read at any time over the Company-wide portal site.

**Shoji** Human capital management has become a kind of buzzword for society, so I hope that Mr. Saito, who acquired national certifications and studied to become a human resources professional, creates the right environment, considers system improvements, and carefully fosters human resources because I want him to fully address the motives that drive each employee to aspire to professionalism. Although Mitsubishi Logistics relies in part on a human resources arrangement that is supported by traditional career-long employment, the coming generation will likely have a weaker sense of joining a company. As an outside director, Ms. Kimura often questions why Mitsubishi Logistics does not promote itself despite being so attractive. Similarly, I think the Company should recruit young employees by communicating the ability to experience engaging work, gain skills, and grow at Mitsubishi Logistics.

Moreover, the Company must also present working styles that allow for the well-being and happiness of those who join the Company. Doing so will also likely connect to a higher engagement score. As far as recruiting women is concerned, in addition to exerting every effort to establish environments that make it easier for women to work, although they might be a bit off in the future, the Company must convey that it will fully train female role models, and create environments that are attractive to women. And in this respect, I expect much from Mr. Saito's leadership with his many years of experience in human resources.

**Wakabayashi** Given its involvement in essential work, the Company must secure people in order to continue its business, even during pandemics. To the extent to which the Company must provide a buffer for its human and other forms of capital, I believe it should take a different approach to its cost of capital from industries in which work can be pursued entirely from remote locations. I hope that Mr. Saito will theoretically research this aspect through industry, government, and academic collaboration, and anticipate that his efforts will bring this approach to the cost of capital to light.

I also believe the warehousing business is fundamentally the same as asset management services as part of the trust business, where service providers are entrusted with and manage the assets of consignors. In other words, the warehousing

business does not simply provide space in a warehouse to store the goods of the shipper. Instead, its value is only appreciated when it stores and manages the entrusted goods exactly as the shipper expects, that is to say, this business is essentially one of living up to the trust of shippers. Mitsubishi Logistics must therefore remain this kind of trusted presence for shippers, where both a fair amount of time and money are involved in building and securing trust among its customers.

I also hope to see Mr. Saito pursue approaches from the stance of industries like those I mentioned earlier, regarding the form that the cost of capital should take for services that undertake essential work on the basis of trust among customers.

**Shoji** There is a tendency to forget that those engaged in the logistics business are also essential workers. Mitsubishi Logistics was involved in storage and shipping services for foods, beverages, and pharmaceuticals during the pandemic, and helped maintain the supply chain, despite the state of emergency declarations issued in response to the spread of COVID-19 and the restrictions they placed on the movement of people and goods.

The warehousing business includes many aspects that could be promoted as an employer of essential workers in the event of large-scale disasters, not just pandemics like COVID-19, yet I feel the Company should advertise these more skillfully.

### Medium- to Long-Term Expectations for Mitsubishi Logistics

**Wakabayashi** The other day I had the opportunity to tour the Misato No. 1 Office in Saitama, where the SharE Center misato distribution center for e-commerce was opened in July 2021. Although I expected to see forklifts driving around as is the case in any other warehouse, instead what drew my attention was the employees who wore white lab coats in areas that looked like clean rooms as they worked to apportion pharmaceuticals. So, I was impressed that the Company had also begun handling the final steps previously handled by pharmaceutical companies.

Along with rediscovering the upsurge in outsourcing demand for logistics, this experience also allowed me to once again realize the potential for the Company to see expanding business opportunities. In order to break through preconceived notions, however, the Company must think in a completely new way. One such conceptual example might be to take an approach whereby the Company

handles logistics for customers in a way that enables them to allocate resources to more important areas.

**Shoji** There are potential needs in both early stages of the logistics process, such as distribution processing in warehouses, and later stages before loading onto trucks. My tour of the Misato Center helped me understand the potential for incorporating business opportunities by spreading the wings of the distribution process beyond storage. Although it isn't a warehouse, being a similar type of facility, I feel that Yokohama Bay Quarter is also really amazing. In part because it helps increase value as a piece of real estate, it appears to me that Mitsubishi Logistics also holds the ability to raise value. In short, the Company possesses flexibility specifically because it owns warehouses, and I want it to better exercise this potential.

**Wakabayashi** The other day I received a briefing on the Company's launch of a corporate venture capital fund as part of a progress report on the

management plan. Although I felt it was an extremely interesting initiative, I want the Company to maintain a constant, precise awareness regarding the purpose of such initiatives. DX is a similar situation, where DX in and of itself is not the goal, but should instead be positioned as one of the ideal paths.

In the case of venture capital, individual initiatives are not always successful, and sometimes land far from the mark. Which is why the Company must swiftly recognize when an initiative has missed the mark and cut any losses as soon as possible, all without being afraid of failure itself. The key to accelerating decisions regarding when to move forward with or withdraw from a venture, such as to be more aggressive, pause, or accept the potential for business risk, is to maintain a constant, clear awareness of the ultimate goal.

**Shoji** I feel exactly the same. Although returns are greater when a DX project proceeds smoothly, the costs also increase. Whereas in fact there are many DX initiatives that are non-starters. Despite the need to withdraw as early as possible if an initiative is a non-starter, Japanese people have a tendency toward inertia, where the default is to continue on regardless. Yet initiatives must be reconsidered immediately if they are judged to be struggling or ineffective. And one must have the courage to quit with a sense of speed. In particular, I feel it is common for the Company to promote DX initiatives

and develop new businesses together with outside parties, but this also tends to cause inconsistencies, so the Company must share its awareness with partners, confirm the direction of its efforts, and proceed while aligning them.

**Wakabayashi** The Board of Directors is also evolving in a positive direction, and I will continue to provide support for this into the future whenever possible. I have also persisted in commenting on the Company's approach to cross-shareholdings, in response to which it has presented its plans for reducing them in the form of a roadmap. I also intend to continue expressing my thoughts on whether to step on the gas or the brakes regarding topics that might be difficult to accept at times, including the Company's approach to ESG, based on an objective understanding of trends in society. From a governance format perspective, I am also looking forward to how today's standing as a company with a Board of Corporate Auditors will evolve into the future in response to changes in society. Meanwhile, in terms of human capital, I hope the Company also considers holding conversations with the next generation of employees who are not at the managing executive officer or executive officer level yet. I feel this way because these types of initiatives will allow younger employees to become more deeply knowledgeable about Mitsubishi Logistics.



# Organizational Governance (Corporate Governance)

With regard to our organizational governance, we will explain our stance on the corporate governance system, the Board of Directors, our approach to the election of officers, etc., and risk management, as well as initiatives for maintaining and strengthening the compliance system, and communication with stakeholders. You may also refer to the introduction of officers and skill matrix.



## Corporate Governance

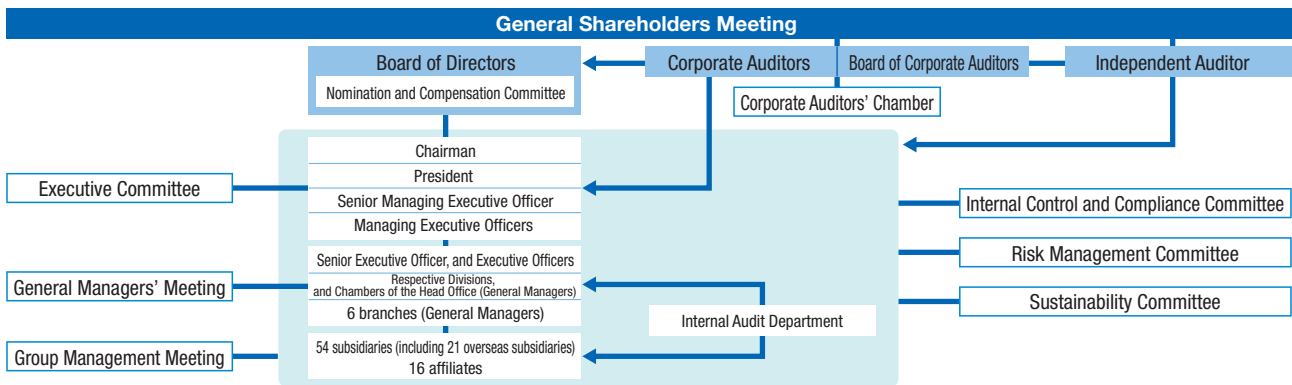
### Basic stance

The Company recognizes the enhancement of corporate governance as a significant business issue that will enable us to carry out our social mission and responsibilities as a publicly listed company and to aim for sustainable growth and development. Accordingly, we are working to enhance the functions of the Board of Directors and Board of Corporate Auditors by appointing outside directors and outside corporate auditors. We established a Nomination and Compensation Committee as an advisory body to the Board of Directors to further enhance the objectivity and transparency of the procedures for determining the nomination and compensation of directors. In addition, we have introduced an executive officer system for the purpose of further strengthening corporate governance by strengthening management and supervisory functions, and by improving management efficiency and accelerating decision making. Moreover, in order to further promote the separation of management and business execution, as of

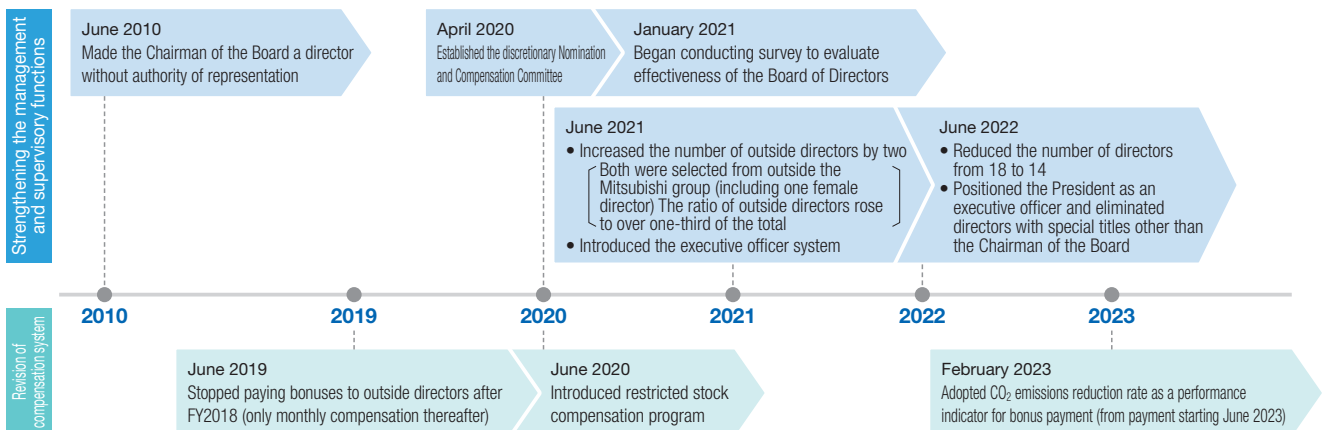
June 29, 2022, we eliminated directors with special titles other than the Chairman of the Board, positioned the president as an executive officer, and changed the system to one in which executive officers are responsible for business execution.

Furthermore, we are endeavoring to boost corporate governance through multiple initiatives, such as: establishing an internal control system through drafting the rules of conduct for our executives and employees, setting up the Internal Control and Compliance Committee, and enhancing an internal audit system (from April 2022, the Internal Audit Department is under the direct control of the president); instituting a risk management system via the Risk Management Committee and “Initiatives for ESG Management and the SDGs” through the establishment of the Sustainability Committee; and, finally, by reinforcing disclosure through the early publication of financial statements. (See the chart of corporate governance system below)

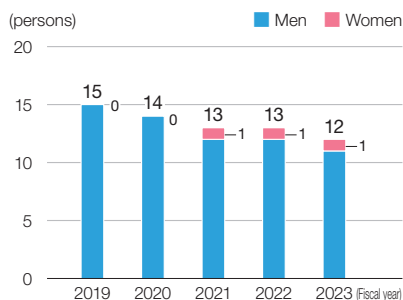
Chart of corporate governance system (as of the end of August 2023)



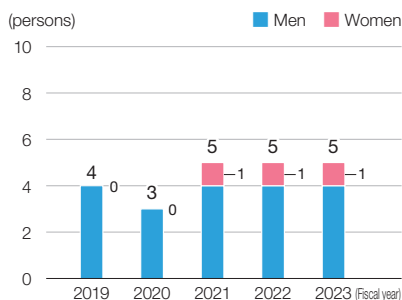
### Initiatives to date for strengthening governance



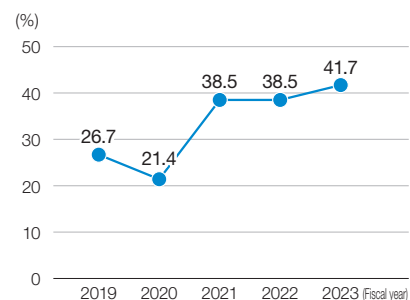
■ Number of directors



■ Number of independent outside directors



■ Ratio of independent outside directors



## Officer election process

### 1. Management Executives and Directors

The Company has a total of not more than 14 directors in charge of business execution and independent outside directors (12 as of the end of August 2023) who comprise the Board of Directors to enable the Board of Directors to engage in sufficient deliberations based on diverse opinions and to make swift and rational decisions.

Directors are required to be persons of outstanding character and broad insight who can be expected to contribute to the establishment and execution of management strategy based on the business environment and management issues. Candidates for management executives and other directors in charge of business execution possess a wealth of professional knowledge and experience in business operations, and candidates for outside directors possess a wealth of experience and knowledge in their professional fields and have the qualities to effectively provide advice and supervision from an independent and objective standpoint.

In determining the reappointment or new appointment of management executives and directors, the Nomination and Compensation Committee objectively verifies whether management executives and executive directors have been appropriately considered in light of the above selection criteria, and report their opinions to the Board of Directors. For candidates for outside directors, the Nomination and Compensation Committee evaluates the effectiveness of each candidate for reappointment or new appointment based on the above selection criteria, and reports their opinions to the Board of Directors. In particular, with regard to the new appointment of outside directors, the Company considers the necessary qualities, etc. at the time of each appointment, compiles a list of candidates, and updates this list each year from the perspective of ensuring the appropriate composition of the Board of Directors required for the sustainable growth of the Company. When it becomes necessary to appoint a new outside director, the Nomination and Compensation Committee interviews candidates selected from a list of candidates based on the above policy, the composition of the Board of Directors, and the suitability of persons as outside directors, after which it selects candidates and makes a report to the Board of Directors.

The Board of Directors discusses these reports at meetings of the Board of Directors attended also by outside directors and outside corporate auditors, appoints management executives by resolution of the Board of Directors, and determines candidates for directors.

In the event that a management executive commits an act in violation of public order or morals, faces difficulties in continuing to execute his or her duties for health reasons, or significantly harms corporate value due to the neglect of his or her duties, the Board of Directors shall consider submitting a proposal regarding the dismissal of said management executive to a meeting of the Board of Directors held with the attendance of outside directors and outside corporate auditors as necessary, and shall, prior to submitting the proposal, consult with the Nomination and Compensation Committee and explain the reasons for the dismissal to outside directors and outside corporate auditors other than members of the Committee.

### 2. Corporate Auditors

The Company's Board of Corporate Auditors consist of a total of five corporate auditors, consisting of two internal corporate auditors and three independent outside corporate auditors, in order to enhance audits and increase the independence of the corporate auditor system from management.

Corporate auditors are required to be persons of outstanding character and broad insight. Candidates for internal corporate auditors are familiar with the actual management of the Company, and candidates for outside corporate auditors have a wealth of professional knowledge and experience in their professional fields, including their industry, legal affairs, and accounting.

Based on this policy, Representative Directors prepare a draft list of candidates for corporate auditors and proposes it to the Board of Directors with the consent of the Board of Corporate Auditors. This is deliberated on by a meeting of the Board of Directors held with the attendance of outside directors and outside corporate auditors, and the candidates for corporate auditors are determined by resolution of the Board of Directors.

## ■ Expertise and experience of each director (skill matrix)

Name	Current position at the Company	Board meeting attendance ratio	Expertise and experience							Contribution to the Company's growth*
			Corporate management	Finance and auditing	Marketing	ESG and sustainability	HR strategy	Legal affairs, compliance, and risk management	Technology	
Masao Fujikura	Chairman	100%	●	●	●	●	●	●	●	Overall
Hidechika Saito	Representative Director and President	100%	●	●	●	●	●	●	●	Overall
Hitoshi Wakabayashi	Director and Senior Managing Executive Officer	100%	●		●					1, 2, 4
Shinji Kimura	Director and Managing Executive Officer	100%	●		●			●		3
Munenori Kimura	Director and Managing Executive Officer	100%	●		●	●				2
Akira Yamao	Director and Managing Executive Officer	100%	●	●					●	4
Masanori Maekawa	Representative Director and Managing Executive Officer	100%	●			●	●	●		5
Tatsuo Wakabayashi	Outside Director	100%	●	●		●	●	●		5
Toshifumi Kitazawa	Outside Director	100%	●	●		●	●	●		5
Tadaaki Naito	Outside Director	91.7%	●	●		●	●	●		5
Tetsuya Shoji	Outside Director	91.7%	●			●	●	●	●	4
Kazuko Kimura	Outside Director	100%				●	●	●	●	1

\* Contribution to the Company's growth: contribution to the growth strategy for accomplishing the MLC2030 Vision (the wording below is basically taken from the MLC2030 Vision)

1. Establish a customer-oriented support system (taking on challenges of entire supply chains focusing on the medical/healthcare, food/beverage, machinery/electrical machine, and new materials industries)

2. Expand overseas business

3. Secure stable profits in the Port and Harbor Transportation Business and the Real Estate Business

4. Improve operational processes and promote further utilization of new technologies

5. Strengthen the Group management base

Note: The table above does not represent all the skills the individual directors possess.

## || Evaluation of the effectiveness of the Board of Directors

In order to further improve the effectiveness of the Board of Directors, every year, the Company conducts a self-assessment questionnaire consisting of questions and free comment sections for all directors and corporate auditors regarding the size and composition of the Board of Directors, the operation of the Board of Directors, the role and functions of the Board of Directors, collaboration between supervisory functions and auditing organizations, etc., and relationships with shareholders and investors.

As initiatives based on the questionnaire results, in FY2022, we increased the opportunities and time spent to explain the Group's businesses and issues to outside directors and outside corporate auditors and to provide them explanations on important projects in advance, and created a place for them to engage in focused deliberations on the progress of the Company's management plan. In this way, we sought to further improve the effectiveness of the Board of Directors.

The questionnaire results in 2023 showed that the size and composition of the Board of Directors, the frequency of Board meetings, the agenda items, meeting operation, provision of information, and the procedural objectivity and transparency secured through the establishment of the Nomination and Compensation Committee, among other aspects, were largely appropriate. Therefore, it was determined that the effectiveness of the overall Board of Directors had been ensured.

Based on the results of the questionnaire, as part of our future initiatives, we will consider enhancing our materials to encourage a more in-depth understanding of the Group's businesses and issues. At the same time, we will consider other measures, including the review of criteria for choosing the Board meeting agenda, to further enhance deliberations on management and growth strategies, among other matters.

## || Nomination and Compensation Committee

The Nomination and Compensation Committee deliberates on matters concerning the recommendation of director candidates about whom the Board of Directors has inquired, as well as the selection and dismissal of representative directors, directors with special titles, and executive officers with special titles. It also deliberates on the composition of the Board of Directors, the adequacy and upper limit of the level and composition of compensation for directors and executive officers with special titles, the compensation system for directors and executive officers with special titles, and other matters deemed necessary by the Board of Directors. The results of these deliberations are reported to the Board.

Committee members	Total of five directors including Wakabayashi (outside, Committee Chairperson), Kitazawa (outside), Shoji (outside), Fujikura (Chairman of the Board), and Saito (Representative Director and President)
Number of meetings held (FY2022)	Four times (approximately 50 minutes each on average)
Number of agenda items	12 items resolved
Main agenda items	Personnel matters regarding officers; changes in the Articles of Incorporation concerning the positions of directors and executive officers; selection criteria for executive officers with special titles, policy on determining individual compensation of directors; composition ratio of director compensation; distribution of compensation by individual director; etc.



## Matters concerning the determination of the amount and calculation method of officer compensation

The Nomination and Compensation Committee is consulted on the policy for determining the details of compensation for each director. Based on the report received from the committee, the Board of Directors makes a resolution as follows.

### ◆ Policy for determining the amount of basic compensation for each director, details of performance-based compensation and nonmonetary compensation and calculation method of their amount or figures (including the policy for determining the timing and terms of granting the compensation)

Compensation for directors shall consist of basic compensation, performance-based compensation, and stock compensation at amounts based on their duties and the compensation level of society in general.

Basic compensation shall be paid according to the position of each director as monthly fixed compensation within the limit of compensation determined at a general meeting of shareholders.

Performance-based compensation shall be bonuses for directors excluding outside directors. Payment is to be made at a specific timing every year at an amount determined according to the performance indicators of the previous fiscal year within the compensation limit that is common with basic compensation. There are three performance indicators designated by the Company (changed at the Board of Directors meeting on February 24, 2023): namely, operating income, considered appropriate as an indicator of the results of corporate operations; ROE, considered appropriate as an indicator of capital efficiency; and CO<sub>2</sub> emissions reduction rate, which is an indicator of the Group's environmental response within its ESG management and SDGs initiatives. The compensation amount shall be calculated based on the previous fiscal year results of the performance indicators, using a predetermined calculation table. When doing so, a certain degree of addition or subtraction is allowed based on assessment of the efforts made toward the challenges set for individual directors.

Stock compensation is intended to incentivize recipients to sustainably increase the Company's corporate value and promote the further sharing of value with shareholders. Payment is to be made at a specific timing every year at an amount deemed reasonable in light of the

purpose within the compensation limit that is common with basic compensation to directors excluding outside directors as compensation for granting restricted stock. The stock cannot be disposed of until the recipient retires or resigns from the position of the Company's director or other positions decided by the Company's Board of Directors.

### ◆ Policy for determining the ratio of monetary compensation, performance-based compensation, and nonmonetary compensation for each director

The payment amount per type of compensation for each director shall be determined so that the ratio per type of compensation for each director will function as an appropriate incentive commensurate with the duties expected for each position.

To link compensation with medium- to long-term business performance, the Company's shares shall be acquired through the officer stock ownership plan using contributions from monthly compensation and bonuses at amounts not less than those set for each position. All the shares purchased shall be held throughout the service period and until one year after retirement.

### ◆ Determination of details of compensation for each director

Based on the above policy, matters such as the compensation limit to be submitted to the general meeting of shareholders, drafts of proposals regarding stock compensation, and allotment of each type of compensation for each individual shall be discussed by the Nomination and Compensation Committee. The Committee was established as an advisory body to the Board of Directors mainly comprising independent outside directors to further enhance the objectivity and transparency of the procedures for determining the nomination and compensation of directors. Based on the suggestions of the Committee, the Board of Directors shall discuss and resolve the matter at its meetings attended by outside directors and outside corporate auditors.

## Policy for determining the amount of compensation for Corporate Auditors and its calculation method

Compensation for Corporate Auditors is determined by discussion between Corporate Auditors within the compensation limit resolved at a General Meeting of Shareholders.

## Total amount of compensation for each officer category, total amount of compensation by type, and number of eligible officers

Category	Total amount of compensation	Total amount per type of compensation				Number of eligible executives
		Basic compensation	Bonuses (performance-based compensation)	Restricted stock compensation (nonmonetary compensation)	Retirement benefits	
Directors (of which, Outside Directors)	¥439 million (¥52 million)	¥334 million (¥52 million)	¥56 million (—)	¥47 million (—)	— (—)	15 (5)
Corporate auditors (of which, Outside Corporate Auditors)	¥78 million (¥42 million)	¥78 million (¥42 million)	— (—)	— (—)	— (—)	5 (3)

\*1 The upward limit on total compensation for the directors is ¥600 million per year (of which ¥100 million per year for outside directors and ¥150 million per year for restricted stock compensation). The upward limit on total compensation for corporate auditors is ¥120 million per year.

\*2 Of the bonuses paid in June 2022 (¥51 million) and June 2023 (¥58 million), the amount of bonuses shown above is the amount recorded as expenses in the fiscal year under review. The actual results of the performance indicators that affect bonuses are shown in the following table (the CO<sub>2</sub> emissions reduction rate is an estimate as it takes time to calculate it).

	June 2022 payment	June 2023 payment
Performance indicators	219th term (FY2021)	220th term (FY2022)
Consolidated operating income	¥18,144 million	¥23,027 million
Consolidated ordinary income	¥23,151 million	(N/A)
Consolidated ROE	5.4%	7.8%
CO <sub>2</sub> emissions reduction rate	(N/A)	-33.2%

\*3 In addition to the payments shown above, ¥52 million was paid to cover the portion of employee salaries for directors concurrently serving as employees (two persons during the fiscal year under review).

## Introduction of officers

### Directors



① Chairman

Masao Fujikura

② Representative Director and President

Hidechika Saito

③ Director and Senior Managing Executive Officer

Hitoshi Wakabayashi

④ Director and Managing Executive Officer

Shinji Kimura

⑤ Director and Managing Executive Officer

Munenori Kimura

⑥ Director and Managing Executive Officer

Akira Yamao

⑦ Representative Director and Managing Executive Officer

Masanori Maekawa

⑧ Outside Director

Tatsuo Wakabayashi

⑨ Outside Director

Toshifumi Kitazawa

⑩ Outside Director

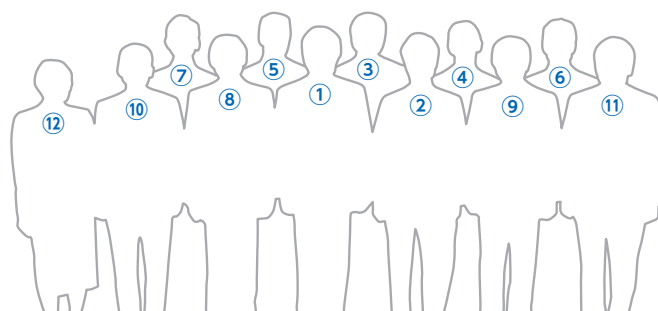
Tadaaki Naito

⑪ Outside Director

Tetsuya Shoji

⑫ Outside Director

Kazuko Kimura



## Corporate Auditors



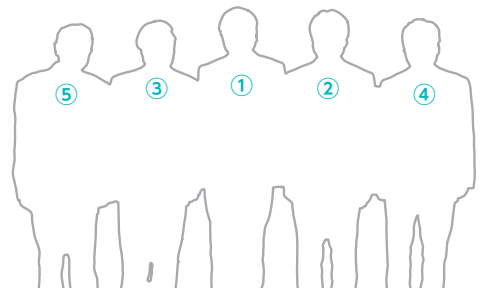
① Corporate Auditor  
(full time)  
Yasushi Saito

② Outside Corporate Auditor  
(full time)  
Masanao Yamato

③ Outside Corporate Auditor  
Yohnosuke Yamada

④ Outside Corporate Auditor  
Takao Sato

⑤ Corporate Auditor  
Junya Miura



## Executive Officers

Senior Executive Officer  
Akio Miura

Executive Officer  
Manabu Kusuyama

Executive Officer  
Naoyuki Inamo

Executive Officer  
Takashi Mukai

Executive Officer  
Shiro Ochi

Executive Officer  
Misao Kawamura

Executive Officer  
Eiichi Kato

Executive Officer  
Chikara Kurimata

## Risk Management

### Main risks and countermeasures

Risks	Risk explanations and countermeasures
Changes in the business environment	<p>The Logistics Business and the Real Estate Business are both affected by changes in the business environment. But whereas the Logistics Business is affected by both economic fluctuations in Japan and overseas, and logistics rationalization and business restructuring by corporate clients, the Real Estate Business is affected by, for example, the supply and demand balance and market trends in the rental office market.</p> <p>The Group's primary businesses are the Logistics Business with the Warehousing and Distribution Business as its core, and the Real Estate Business, which focuses on the leasing of buildings. The Group strives for stable growth through planned capital investment and the provision of sophisticated services.</p>
Damage to business assets (warehouses, rental buildings, etc.) caused by natural disasters	<p>In the event of a large-scale natural disaster, such as an earthquake, typhoon, heavy rainfall, flood, tsunami, or volcanic eruption, there is a risk of serious damage that cannot be covered by insurance, which could affect the financial position and operating results of the Group.</p> <p>With regard to business assets such as warehouses and rental buildings, in addition to earthquake resistance and seismic isolation measures for buildings, external insurance coverage, and provision of reserve for private insurance, we take necessary measures including daily inspections and maintenance, the compilation and updating of manuals in the event of a crisis such as a natural disaster, and the holding of regular training.</p>
Reduction in market value and profitability of business assets (land, buildings, etc.)	<p>In some cases, the amount of investment cannot be expected to be recovered due to a decline in the fair value of land or buildings, etc., or a decline in profitability as a result of the application of the Accounting Standard for Impairment of Fixed Assets. To avoid carrying forward losses far into the future, the Group may apply impairment accounting to reflect the possibility of recovery.</p> <p>In the fiscal year ended March 31, 2023, we recorded an impairment loss (¥173 million) as an extraordinary loss on the Group's warehouse facilities (buildings), etc., which had declined in profitability.</p>
Fair value fluctuations of investment securities	<p>The Group's investment securities as of the end of the fiscal year under review stood at ¥144,282 million, consisting mainly of shares in its business partners, primarily for the purpose of maintaining and strengthening business relationships. However, the application of the Accounting Standard for Financial Instruments means we are affected by fluctuations in market prices, such as share prices.</p> <p>The Company will recognize an impairment loss on available-for-sale securities with a market price if their fair value falls by 30% or more compared with the acquisition price, taking into consideration the possibility of recovery. To provide for losses resulting from a decline in the substantial price of stock, etc. without a market price, allowance is recorded as allowance for investment loss taking into account the possibility of recovery if total net assets of the issuing company fall below the book value.</p>
Compliance risk and human rights issues	<p>Compliance risks and human rights violation risks cannot be completely eliminated, and in the event of a situation arising that violates laws and regulations or causes a human rights issue, the resultant administrative sanctions, such as surcharges, criminal sanctions, requests from business partners, etc. for compensation for damages, and loss of credibility could affect the financial position and operating results of the Group.</p> <p>The Group has formulated the Code of Conduct that stipulates compliance with laws and regulations and the exclusion of antisocial forces as the social norms for employees in executing their duties. The Group is working to instill awareness of compliance based on corporate ethics in every employee and ensure thorough compliance with laws and regulations and various rules through the employee's self-check on the status of compliance with the Code of Conduct, as well as by thoroughly promoting training on compliance. Furthermore, through the establishment of the Internal Control and Compliance Committee, the implementation status of internal control functions and the compliance conditions shall be evaluated in an aim to enhance the internal controls and compliance. In conjunction with this, to fulfill our responsibility to respect human rights, which is a prerequisite for realizing our corporate philosophy, we have established the Mitsubishi Logistics Group Human Rights Policy and are promoting respect for human rights initiatives.</p> <p>In addition, we have established an Internal Reporting Hotline (a helpline) that clearly stipulates the prohibition of unfavorable treatment of reporting persons, and are making efforts to prevent or promptly discover and correct actions that may infringe upon laws and regulations or that may violate human rights.</p>

Risks	Risk explanations and countermeasures
Country risk in overseas business development	Overseas, the Company has a total of 21 subsidiaries in North America, China and Asia, and Europe (three in North America, 16 in China and Asia, and two in Europe), which are engaged in the logistics business, including warehousing and international transportation. In overseas business development, we endeavor to practice management activities in accordance with local laws and regulations and business customs, etc., and in the event that the investee acquires non-current assets such as warehouse facilities, we will consider the degree of country risk and take out overseas investment insurance as needed.
Exchange rate fluctuations	In preparing the Group's consolidated financial statements, the financial statements of overseas consolidated subsidiaries are converted into yen. As the Company and some of its consolidated subsidiaries have foreign currency-denominated receivables and payables, fluctuations in exchange rates could affect the financial position and operating results of the Group.
Tightening of regulations on environmental conservation, etc.	Going forward, in the event that the tightening of related laws and regulations and other regulations necessitates new capital investment, the increase in funds and cost burden could affect the financial position and operating results of the Group. Recognizing the importance of environmental issues, in addition to establishing the Environmental Policy and the Environmental Voluntary Plan, the Group has adopted environmental measures as a key theme in its Initiatives for ESG Management and the SDGs, and is promoting business activities that take the global environment into consideration. Specifically, in addition to working on energy-saving measures for warehouses and real estate rental facilities by constructing Disaster-Resistant and Eco-Friendly Warehouses and Disaster-Resistant and Eco-Friendly Office Buildings, etc., we are endeavoring to introduce equipment and facilities with a low environmental impact and develop services that reduce the environmental impact in collaboration with customers and subcontractors. We shall also disclose climate change-related information recommended in TCFD proposals and implement mitigation measures against transition risks and physical risks.
Information security risk	If business activities are suspended or information is leaked due to a computer virus, unauthorized access from an external source including cyberattacks, disaster or other cause, the resultant claims for compensation for damages by business partners and the loss of credibility could affect the financial position and operating results of the Group. Utilizing various information technologies to promote business and improve business efficiency, the Group handles business partners' confidential information and customers' personal information in its business activities. In the management of information systems and information networks, we focus on stable operations and security measures, take necessary steps such as appropriate server management and information backups, and work to reduce security risks through information security education such as training for targeted attacks.
Risk from infectious diseases	Due to a regional outbreak of an emerging or re-emerging infectious disease, including COVID-19, or a global pandemic, the Logistics Business will experience sluggish cargo movements and the Real Estate Business will face an increased vacancy rate due to tenants moving out, which could significantly affect the business activities and business results of the Group. As a Group, we will endeavor to minimize any effects.

## Initiatives for maintaining and strengthening the compliance system

### Confirming the appropriateness of operations via internal control

The Board of Directors of the Company resolved the “Basic Policy on the Improvement of an Internal Control System” to ensure the appropriate execution of duties by executives and regular employees and the appropriateness of corporate affairs.

Furthermore, the Company improves the systems necessary for ensuring the appropriateness of financial reporting and prepares and submits the Internal Control Report regarding the evaluation of the effectiveness of internal control relating to financial reporting in accordance with the Financial Instruments and Exchange Act.

### Disseminating the awareness of compliance

The Group endeavors to instill in every employee awareness of compliance based on corporate ethics. To this end, it conducts employee self-check (Code of Conduct questionnaire) on the status of compliance with the Code of Conduct, which was formulated as the social norms for employees in executing their duties, as well as a compliance awareness survey covering anti-bribery and other anti-corruption policies.

The self-check on the status of compliance not only targets the Company and domestic Group companies. It is also extended to overseas Group companies using English texts.

In addition, we aim to disseminate compliance awareness, including that of anti-bribery and other anti-corruption policies, and establish good working environments by using various training opportunities.

### Confirming business processes via internal audit

The internal audit of the Company is performed mainly by the Audit Division in accordance with internal audit regulations and an internal audit plan. The audit is supported by branch auditors and audit assistants positioned at the Head Office and respective branches. The purpose of the internal audit is to precisely grasp the status of corporate affairs and financial position so that it can be used to prevent fraud or errors, for rationalization of management, improvement of business operations and raising operating efficiency. Since April 2022, internal audits have been under the direct control of the President, and the Audit Division reports the results of audits regarding the Company and affiliated companies to the President. The Audit Division also supports follow-up checks on any issues noted in the audit results, and reports the results to the President.

The Audit Division keeps close contact with the corporate auditors and provides them with internal audit information to cooperate with the corporate auditors' audits.

### Holding Internal Control and Compliance Committee meetings

In September 2006, we established the CSR and Compliance Committee and promoted CSR activities within the Group. In fiscal 2021, matters relating to CSR were transferred to the Sustainability Committee, and matters relating to compliance were transferred to the Internal Control and Compliance Committee, thereby further strengthening these initiatives.

At the Internal Control and Compliance Committee meeting held annually, we discuss the content of the Internal Control Report, the compliance improvements based on self-checks of the Code of Conduct compliance status, as well as the trends related to whistleblowing and the Company's response and future initiatives.

Branch General Managers who are close to the workplace also participate in meetings of the Internal Control and Compliance Committee, which helps maintain and strengthen the compliance system through various responses.

### Internal reporting system

The Group has in place a Whistleblowing and Consultation Mechanism comprising the Corporate Ethics Help Line (contact: General Affairs Division, Personnel Division, Overseas Business Planning & Coordination Division, etc.) to ensure early detection and correction of violations or potential violations of laws, regulations, and corporate rules. Additionally, in FY2022, an external helpline (provided by a service company) was established to provide an environment where employees feel at ease seeking consultation. Both helplines handle cases against bribery and other corruption, ensuring confidentiality and anonymity.

To raise the recognition level and encourage use of the internal reporting system, we utilized the Code of Conduct survey taken in December 2022 to check whether all the Group officers and employees were familiar with the system and whether they were keen to use it. We received an affirmative opinion from almost all respondents and have confirmed our progress in the effort to spread the system.

In FY2022, the corporate ethics helpline received and handled 24 whistleblowing cases. Although not all cases require corrective action, we are committed to taking appropriate measures that lead to correction.

## Initiatives for improving compliance awareness

### CSR & Compliance Handbook

The Group published the CSR & Compliance Handbook in January 2011. Thereafter, in light of subsequent changes in the business environment, we published a revised edition in May 2022, centered on an online version. Together with the printed version, the handbook was made available to all executives and employees within the Company and domestic Group companies for their reference at any time.

We have included our anti-bribery and other anti-corruption policies in both the online and printed versions of the handbook to make them available for viewing by all employees. In this way, we seek to spread thorough awareness of these policies.

Additionally, we check the employee awareness level of our anti-corruption policies through the Code of Conduct survey administered to all Group employees.

1. We shall comply with laws, ordinances and rules that enable us to honestly and fairly carry out business activities without deviating from social norms.  
(Examples of specific considerations)
  - (1) We shall continuously update traditional internal and external business practices from the standpoint of legal compliance, while striving to obtain an understanding of the relevant laws and regulations, including the Warehousing Business Act, the Port Transport Business Act and the Labor Standards Act of Japan.
  - (2) We shall enforce compliance with Company rules such as the Rules on Preventing Internal Trading, Accounting Rules, and Implementation Guidelines for Warehousing and Storage Operations.
  - (3) We shall not engage in any discriminatory practices against subcontractors or peer companies, or participate in any form of collusion whatsoever among companies or industry groups. We shall exercise our own judgment when responding to any administrative guidance of the supervising authorities.
  - (4) We shall keep gifts and business entertainment to the absolute minimum necessary in light of generally accepted social standards.  
In cases where we are considered to be a related party with a vested interest pursuant to the National Public Service Ethics Code, we shall not present gifts to civil servants or deemed civil servants, regardless of whether these items are considered to be condolence gifts, farewell gifts or the like.  
Furthermore, we shall not present foreign civil servants with gifts for the purpose of obtaining illegitimate profits, etc.
- (5) We shall step up efforts to tighten information security management in step with advances in digital technologies, while prohibiting the personal use of communication methods via PCs, mobile phones and other devices.
- (6) We shall endeavor to properly manage and safeguard personal information and customer information.
- (7) If Company personnel discover any evidence of a breach of corporate ethics and believe that the information may not be duly reported to top management via their direct supervisors, they should report this information to the Corporate Ethics Help Line (Whistleblower and Consultation Mechanism/reports may be submitted anonymously). The mechanism shall report this information to top management while strictly protecting the confidentiality of the informant.  
We shall not subject the informant to any disadvantageous treatment on account of his or her reporting and other related reasons.

Excerpts from the Compliance Handbook

### Compliance Awareness Survey

We provide Web-based surveys on awareness targeting the Company and domestic Group companies based on the CSR & Compliance Handbook and the Integrated Report to improve awareness of CSR compliance.

By asking questions about familiar issues, every employee thinks about what to do and comes up with an answer, which leads to the development of compliance awareness.

### Review session and training on compliance with the Subcontract Act and the prevention of insider trading

In March 2023, we conducted a review session on the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors (the Subcontract Act) for employees of the Company and the domestic Group companies. The session was attended by a total of 2,211 employees who handled tasks associated with the Act at each business division, and the participants studied the Act's purpose, scope of application, obligations, prohibited matters, etc., based on questions provided online. In November 2022 and February 2023, newly appointed managers, new hires, and mid-level employees who have been with the Company for about 10 years (109 employees in total) received training on insider trading prevention. Their level of understanding was also checked using an e-learning program.

## Initiatives for communication with stakeholders

### Information disclosures

The Group provides the stakeholders with information requiring disclosure or reporting, such as information on business activities and social contribution activities, in a timely manner through news releases and postings on the Company website.

Detailed information on our management plan and policy, stock information, IR calendar, financial data, IR materials (flash report, securities report, annual report in English, business report, and financial results presentation), etc., is available on the Company website under "IR information."

Information is also disclosed on our English website.

### Dialogue between shareholders/investors, analysts and top management

#### ● Easy-to-understand shareholders' meetings


When we hold a shareholders' meeting, we strive to provide easy-to-understand information for the convenience of attending shareholders by using video business reports with narration. A video of the General Meeting of Shareholders was made available for viewing on the Company website for approximately three months following the event.

#### ● Results briefing

The Company holds results briefings twice a year (May and November) for investors and analysts. In addition to the explanation of the settled accounting results, the top management of the Company explains management policies and the progress of management plans, conducts Q&A and transmits a variety of management information. We are active in encouraging dialogue with market players not only through transmission of the information desired by investors and analysts but also by integrating the feedback of useful views therefrom in its actual business judgment.

#### ● Dialogue with institutional investors

In order to contribute to the sustainable growth of the Company and the medium- to long-term improvement of our corporate value, we continuously hold dialogue between institutional investors and the management team. The main topics are capital policies, governance, and sustainability, and opinions and concerns that are identified through the dialogue are appropriately reported to the Company as feedback.

 You may view the materials for the results briefings on the IR Information page of the Company website.  
HOME ▶ IR Information ▶ IR materials ▶ Presentation

# Contribution to Local Communities and International Society

Under its corporate philosophy, the Mitsubishi Logistics Group is contributing to the realization of an affluent and sustainable society. Under the recognition that the sustainable development of local communities and international society will connect to sustainable growth for the Company, we believe that contributing to the development of local communities and international society requires us to not only understand our relationship with the regions where our business bases are located, but also to understand our relationship with society. Under this belief, we center our activities on local communities and the environment, and provide support involving community building, educate future generations, preserve ecosystems, and offer donations as a means of investment and support that connects to the sustainable development of local communities and international society.



## Contribution to Education

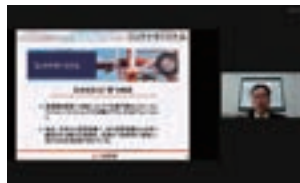
### Dispatching Lecturers to Kobe University

The Kobe University Faculty of Oceanology has established an academic field that undertakes the training of ship navigators and engineers as the Maritime Officer License Course (Nautical Sciences & Marine Engineering), and that debates the relationships between humans and the oceans, ships, and marine structures.

Since the pandemic, logistics personnel have started to become recognized as essential workers, which is why we believe that realizing a sustainable society will rely heavily on both the further development of logistics itself as well as the power of future generations who wish to become involved in logistics. In this light, representatives from the Kobe Branch have held lectures about international logistics since fiscal 2021.

This effort has primarily served to convey the attractiveness of the maritime society through an overview of international logistics, specific operations, key points that lead to rewarding work, the required knowledge and skills, and other contents that enable attendees to imagine the types of people who excel in international logistics.

We will continue to convey the attractiveness of logistics from the perspective of education in an effort to support the training of global leaders and experts in maritime issues as raised by the Faculty of Oceanology.



crowded trees, these efforts promote tree growth and allow light into the dark forest, thereby spurring undergrowth to thrive and prevent landslides. Under the guidance of instructors, participants engaged in nature observations to deepen their understanding of the environment, namely through walks in the Yadoriki watershed forest to view the lush nature. In this way, the activity is also helping to foster an awareness of the environmental action raised by the Company.

Through this initiative, participants do more than simply contribute to society as part of a forest conservation activity. They also increase their own awareness of protecting the natural environment and are able to refresh their minds and bodies. The next event is scheduled for October 2023.



Participants from the Head Office, Tokyo Branch and Yokohama Branch

### Participation in Seaweed Bed Restoration Activities

In June 2023, employees from the Nagoya Branch participated as volunteers in support of seaweed bed restoration activities at Sakushima, Aichi Prefecture, an event in which our shipping company partners mainly participate.

Seaweed beds (eelgrass beds) function to purify seawater, absorb CO<sub>2</sub>, and maintain marine biodiversity as safe places to lay eggs and raise offspring, and are therefore referred to as the cradles of the ocean. This year, participants collected some of the seaweed from colony growth and transplanted it to restore areas where seaweed was in decline.

Participants commented that the activity was fun and meaningful, and that they want to participate again. Looking to this activity as a model, each branch will take the initiative in contributing to local communities and in engaging in ecosystem conservation initiatives.



Participants from the Nagoya Branch

## Contribution to the Protection of Eco-Systems

### Forest Conservation Activities

To address the global environment from the perspective of protecting biodiversity, we participated in a reforestation partnership program led by Kanagawa Prefecture and initiated related activities in April 2011.

In November 2022, 33 executives and employees participated in the 10th reforestation activity, which we relaunched after a two-year cancellation to prevent the spread of COVID-19.

The participants were divided into two groups, where the tree thinning work group engaged in felling, branch removal, and log cutting work in the area around Tanzawa Lake in Kanagawa Prefecture. By thinning the densely



## Participation in Environmental Beautification Activities

On June 11, Fukuoka City organized and held an event called LOVE EARTH CLEAN UP. As part of this event, citizens, companies, and the government cooperate in environmental beautification activities in which seashores, rivers, and parks are cleaned together, which also contributes to achieving the SDGs and to ocean plastic waste countermeasures. A total of 28 employees from the Fukuoka Branch and their family members gathered along the Momochi seashore (Sawara-ku, Fukuoka City), and engaged in seashore cleanup activities, including collecting ocean plastic waste. The Branch will continue to participate in similar cleanup activities in order to contribute to the community.



Participants from the Fukuoka Branch

## Contribution to Local Communities

### Participating in Edible KAYABAEN -Contributing to Local Communities through Food, Agricultural, Educational, and Community Initiatives-

The Company participated in Edible KAYABAEN upon endorsing its goals. The concept of Edible KAYABAEN is an urban community garden that floats in the sky amid the surrounding buildings.

We empathized with the desire of Edible KAYABAEN to foster the strength to survive among children and to build a local community by once again connecting people with nature, and people with people. Similarly, we also support the right of children to grow, to receive an education, and to participate through initiatives including building a model of urban greenery using office building rooftops, educating future generations using rooftop gardens, and building local communities centered on children. In this way, we will contribute to the local community and deepen the understanding of the SDGs among our employees.



## We hold a monthly market, “iimono ippai marche,” at Yokohama Bay Quarter

(monthly from December 2020)

Every year at the Yokohama Bay Quarter (the Company's commercial real estate facilities in Yokohama), we have held a number of events, including charity fairs, running club events, and radio calisthenics events during the summer vacation. However, in 2020, most of these events were suspended due to COVID-19. Under these circumstances, we were contacted by vendors at the Yokohama Central Wholesale Market in Kanagawa-ku, Yokohama, Kanagawa Prefecture, where Yokohama Bay Quarter is also located, who informed us that the consumption of commercial vegetables at hotels and restaurants had become sluggish due to COVID-19. As a result, since last year we have continued to host an “iimono ippai marche” market where consumers can purchase special kits of assorted vegetables. The market is held at the entryway (open space) to Yokohama Bay Quarter. Customers making an advance booking on the website are assigned to a “contactless market” in which items can only be redeemed on the day of the market. The event is held with due consideration for preventing the spread of COVID-19, and we support local producers by providing the venue free of charge and by introducing the events on the website and through social media. In the future, we will bring further excitement to the region as a shopping mall close to the community, while giving consideration to safety and security.

## We held Lantern Night at Yokohama Bay Quarter

While it is difficult to hold an event in which many people gather together at the same time, we held Lantern Night, an illumination event that customers could enjoy, while preventing overcrowding at the venue, from May to September 2022. Lantern Night, which was inspired by the lantern festival held in Hội An, the ancient capital of Vietnam, was held for the first time in summer 2019. It was a popular event again this year with its colored lanterns often appearing on SNS accompanied by heartwarming comments such as “it made my heart brighter,” and “I’m so happy to have seen it again.” Moreover, the event was covered by television programs and many other forms of media, and received countless posts under the newly proposed hashtag of “#Photogenic Quarter,” indicating just how many people enjoyed Lantern Night in their own way. Going forward, we will continue to work on projects that enable our customers to feel joy in their daily lives while adjusting to the social landscape.



Lantern Night

## Social contribution activities

### Cooperative Activities Between Yokohama Bay Quarter and Kanagawa University

The Kanagawa University HOP STEP BEER project for growing hops is an SDGs initiative intended to tackle environmental issues, such as the emerging heat island effect in the Minato Mirai area as it undergoes urban development. Specifically, the project seeks to create and share opportunities for agricultural experiences in the city center using a mobile app, generate excitement through events, and establish points of contact between the campus and local communities. The project was held on a trial basis in fiscal 2021 at the Minato Mirai Campus.

Since fiscal 2021, employees at Yokohama Dia Building Management Corporation (the Yokohama Bay Quarter management company) have participated in this project, while the company has engaged in other cooperative activities with Kanagawa University, including having its students from the Arts Club create wall art along the Yokohama Bay Quarter stairwells once per year since 2015.



### We participate in local cleanup activities

Operating bases of the Company and Group companies nationwide also participated in local cleanup activities voluntarily.

The head office, for example, conducts cleanup activities twice a month in parks as part of our Street Cleaning Day program, with 174 employees participating in fiscal 2022.

We will contribute to the local communities by continuing to participate in these cleaning activities.



Street Cleaning Day at the Head Office



Cleanup activities at Kobe Harborland



Cleanup activities at Fuji Logistics Co., Ltd.



### Kobe Harborland umie and the Kobe City Fire Department held Manabosai in umie as a collaborative fire prevention event

We held the Manabosai in umie event on February 25, 2023, at Kobe Harborland umie. The event used firetruck coloring books and commemorative photographs for children dressed in fireproof suits to help children enjoy learning about fire prevention, as well as disaster experiences using VR devices, smoke experiences, and fire extinguisher drills to help adults do the same.

In addition, the event included a live performance by the Fire Department Marching Band, as well as powerful demonstration drills by firefighters who sprayed water from firetrucks and conducted rescues using ladder trucks.

### We illuminate the Mosaic Ferris Wheel

We illuminated the Mosaic Ferris Wheel in Kobe Harborland in theme colors and displayed messages in accordance with various international days and awareness days to disseminate information to local citizens. During the past fiscal year, we held displays more than 10 times for the purpose of raising awareness, including the color blue for World Refugee Day on June 20, World Water Day on August 1, and World Humanitarian Day on August 19, the color orange for World Alzheimer's Day on September 21, and a pink ribbon for a breast cancer awareness campaign on October 1. The Mosaic Ferris Wheel is one nighttime scenery that represents the Port of Kobe. Going forward, we will continue to collaborate in disseminating awareness and other information through the illuminations.

### Social contribution activities of Mitsubishi Logistics Thailand Co., Ltd.

Mitsubishi Logistics Thailand conducts social contribution activities as part of the program for its company trips. Held for the first time in three years, in 2022 members divided up into eight groups, with all 200 employees of the company participating in artificial fish reef production, elementary school repairs and relief supply provision, and other projects. Through these activities, employees and their families came to understand the importance of social contribution, strengthened their awareness of the environment, and were able to deepen friendships through exchange with those from other workplaces.



Repairing an elementary school



Providing meals at an elementary school

## Support for a Public Interest Incorporated Foundation

### Support for the activities of The Dia Foundation for Research on Ageing Societies

The Dia Foundation for Research on Ageing Societies is engaged in activities aimed at contributing to solving issues faced by ageing societies, in fields such as insurance, medical care and welfare, through investigation and research into these issues.

Interest is growing in social participation by the elderly, in the context of a declining birthrate and ageing population.

The Company is collaborating with The Dia Foundation for Research on Ageing Societies in the utilization of diverse human resources, including the elderly. In this way we aim to realize an affluent and sustainable society.

## Contribution to Solutions for Social Issues

### Donations for the 2023 Turkey-Syria Earthquake

We provided ¥1 million in donations through the Japanese Red Cross Society to those who had been affected by the earthquake that occurred on February 6 with an epicenter in southeastern Turkey near the border of Syria, as well as to support recovery efforts.

Along with expressing our deepest sympathies for all who have been affected, we hope for the fastest possible recovery of the affected area.

### Donations to the Japanese Foundation for Cancer Research

Since fiscal 2011, we have endorsed the Japanese Foundation for Cancer Research's Basic Philosophy of aiming to improve the well-being of people everywhere by achieving better cancer control, and in fiscal 2022 donated ¥1 million. We will continue to support the Foundation to realize its desire for a future free from the fight with cancer.

#### ■ Community Investments (Fiscal 2022)

Donation Recipient	Details	Donation Amount
Japanese Red Cross Society	2023 Turkey-Syria Earthquake donations	¥1 million
Japanese Foundation for Cancer Research	Donations for cancer research	¥1 million
Kanagawa Prefecture	Donations for the partnership program of reforestation of Kanagawa Prefecture	¥0.6 million

\* Donation details and amounts are excerpted from the General Affairs Division / Sustainability Promotion Team

\* Donations other than those for the Turkey-Syria Earthquake are the actual amounts from fiscal 2022

## Mitsubishi Logistics America Corporation Donation Activities

Mitsubishi Logistics America conducts donation activities intended to improve the standing of the Japanese community in the U.S. and to contribute to society.

In October 2022, it donated US\$1,200 to the J.C.C Fund.

The J.C.C. Fund serves the purpose of strengthening ties between the Japanese business community and the New York metropolitan area, as well as of contributing to society. Since its founding in 1985, it has provided grants to support organizations that offer creative and effective solutions to contemporary issues in the areas of local community enhancement, education and academic research, and U.S.-Japan relations.

Mitsubishi Logistics America contributed to the Fund because it has determined that its donations would help improve the standing of the Japanese-American community as well as make social contributions.

Moreover, it donated US\$5,000 to Japan Parade 2023, which was held in May 2023.

Japan Parade is held to express gratitude to New York City, introduce Japanese culture, and create solidarity among the Japanese-American community. Mitsubishi Logistics America contributed to the event because it believes that its donations also play a part in the social contributions made to the U.S. by Japanese companies operating there.

Mitsubishi Logistics America will continue to participate in these kinds of activities in aims of contributing to society.

#### ■ Social contribution activities (Fiscal 2022)

Activity Details	Number of Participants
Forest conservation activities	34
Social contribution activities of Mitsubishi Logistics Thailand Co., Ltd.	200
Cleanup activities (Head Office)	174

## Financial Items

		Fiscal 2013 (year ended March 31, 2014) (actual results)	Fiscal 2014 (year ended March 31, 2015) (actual results)	Fiscal 2015 (year ended March 31, 2016) (actual results)	Fiscal 2016 (year ended March 31, 2017) (actual results)	Fiscal 2017 (year ended March 31, 2018) (actual results)
Operating revenue	(million yen)	198,161	204,362	206,831	208,718	215,407
Logistics Business	(million yen)	162,481	170,402	169,006	167,907	181,277
Real Estate Business	(million yen)	37,484	35,941	39,876	42,894	36,025
Inter-segment transactions	(million yen)	(1,804)	(1,981)	(2,051)	(2,083)	(1,895)
Operating income	(million yen)	12,148	11,449	11,309	12,748	12,421
Logistics Business	(million yen)	6,816	7,204	5,579	6,661	7,662
Real Estate Business	(million yen)	9,702	9,166	10,614	11,719	10,181
Corporate expenses	(million yen)	(4,370)	(4,921)	(4,885)	(5,633)	(5,422)
Non-operating income (loss)	(million yen)	1,965	3,007	2,716	3,308	3,739
Ordinary income	(million yen)	14,113	14,456	14,025	16,056	16,160
Extraordinary income (loss)	(million yen)	288	395	645	(260)	(790)
Profit before income taxes	(million yen)	14,402	14,851	14,670	15,796	15,370
Profit attributable to owners of parent	(million yen)	8,520	9,133	9,350	10,665	10,517
EBITDA (Operating Income + Depreciation)	(million yen)	24,665	24,838	25,139	25,673	25,168
Amounts per share of profit attributable to owners of parent/Earnings per share	(yen)	48.62	52.12	53.37	60.88	120.07 <sup>*1</sup>
Amounts per share of cash dividends applicable to the year/ Annual dividend per share	(yen)	Interim 6 Term-end 6	Interim 6 Term-end 6	Interim 6 Term-end 6	Interim 6 Term-end 8	Interim 7 Term-end 14 <sup>*1</sup>
Dividend payout ratio	(%)	24.7	23.0	22.5	23.0	23.3
Total assets	(million yen)	396,238	433,041	413,264	435,354	462,031 <sup>*2</sup>
Total liabilities	(million yen)	159,596	169,952	155,740	158,484	167,480 <sup>*2</sup>
Total net assets	(million yen)	236,641	263,089	257,524	276,870	294,550
Net assets per share	(yen)	1,337.56	1,486.99	1,455.06	1,565.27	3,330.71 <sup>*1</sup>
Equity ratio	(%)	59.2	60.2	61.7	63.0	63.1 <sup>*2</sup>
Return on equity (ROE)	(%)	3.7	3.7	3.6	4.0	3.7
Return on assets (ROA)	(%)	2.2	2.2	2.2	2.5	2.3
Depreciation	(million yen)	12,517	13,389	13,830	12,925	12,747
Increase in non-current assets (capital investment amount)	(million yen)	23,674	24,462	8,841	27,336	21,582
Cash flows from operating activities	(million yen)	19,701	20,691	17,246	21,466	21,481
Cash flows from investing activities	(million yen)	(23,144)	(20,562)	(7,032)	(22,270)	(22,219)
Cash flows from financing activities	(million yen)	11,634	1,638	(7,927)	(7,819)	3,419
Cash and cash equivalents at the end of the year	(million yen)	41,236	43,276	45,658	36,921	39,580

\*1 A reverse stock split was conducted on October 1, 2017 at a ratio of one share for every two shares of common stock.

\*2 The Company has applied "Partial Amendments to 'Accounting Standard for Tax Effect Accounting'" (Accounting Standards Board of Japan Statement No. 28, February 16, 2018) beginning from fiscal 2018. The consolidated financial position for fiscal 2017 has been retrospectively adjusted to reflect the application of the Standard, etc.



	Fiscal 2018 (year ended March 31, 2019) (actual results)	Fiscal 2019 (year ended March 31, 2020) (actual results)	Fiscal 2020 (year ended March 31, 2021) (actual results)	Fiscal 2021 (year ended March 31, 2022) (actual results)	Fiscal 2022 (year ended March 31, 2023) (actual results)	Fiscal 2023 (year ending March 31, 2024) (forecast)	Fiscal 2024 (year ending March 31, 2025) (Management Plan (2022-2024) targets)
	227,185	229,057	213,729	257,230	300,594	270,000	260,000
	190,434	189,709	179,255	215,240	263,899	232,300	215,000
	38,679	41,199	36,153	43,662	38,199	39,300	46,800
	(1,928)	(1,851)	(1,679)	(1,672)	(1,504)	(1,600)	(1,800)
	12,660	12,195	11,735	18,144	23,027	18,000	20,000
	7,609	7,184	7,232	13,703	18,774	13,500	14,000
	10,783	10,859	10,038	10,316	10,123	10,100	11,600
	(5,731)	(5,847)	(5,535)	(5,875)	(5,869)	(5,600)	(5,600)
	4,673	4,626	4,278	5,006	7,018	—	—
	17,333	16,822	16,013	23,151	30,046	23,200	—
	(541)	(84)	40,097	2,773	10,904	—	—
	16,792	16,737	56,111	25,924	40,951	—	—
	11,564	11,851	39,160	17,892	27,226	24,000	—
	25,656	26,447	26,595	33,610	38,742	33,600	—
	132.03	137.31	462.28	219.47	342.00	313.38	—
	Interim 15 Term-end 30	Interim 30 Term-end 30	Interim 30 Term-end 30	Interim 39 Term-end 41	Interim 41 Term-end 49	Interim 50 Term-end 50	—
	34.1	43.7	13.0	36.5	26.3	31.9	—
	482,575	468,243	535,761	562,187	573,689	—	—
	183,470	181,886	208,932	214,427	219,256	—	—
	299,104	286,356	326,829	347,759	354,432	—	—
	3,381.20	3,298.18	3,914.63	4,238.85	4,489.01	—	—
	61.4	60.5	60.4	61.2	61.1	—	—
	3.9	4.1	12.9	5.4	7.8	6.9	7.0
	2.4	2.5	7.8	3.3	4.8	—	—
	12,995	14,252	14,860	15,465	15,714	—	—
	18,036	26,387	38,817	42,383	16,487	—	—
	23,352	17,624	40,176	36,216	40,488	—	—
	(31,786)	(18,022)	(14,002)	(29,221)	(14,379)	—	—
	12,066	(2,359)	(5,270)	(16,518)	(17,067)	—	—
	42,972	40,541	61,367	52,505	62,297	—	—

## Statement Supporting the UN Global Compact

Based on the Code of Conduct, the Group will practice the UNGC's 10 principles as a good member of the international community.



### Practice of the UN Global Compact's 10 principles

The Group agreed to adhere to the UN Global Compact (hereinafter "UNGC") and endorsed approval in May 2014.

The UNGC is a voluntary corporate responsibility initiative for businesses that are aiming for sustainable growth as a responsible member of society. The UNGC asks companies to voluntarily participate in creating a global framework to take creative leadership.

At the World Economic Forum in Davos, Switzerland in 1999, Kofi Annan, then Secretary-General of the United Nations, proposed that companies should observe the 10 principles in the areas of human rights, labor, the environment and anti-corruption to solve various problems that could occur due to internationalization and the global expansion of businesses. In July 2000, the UNGC was launched at the UN Headquarters in New York.

Based on its "Code of Conduct," the Group will strive to practice the UNGC's 10 principles as a good member of international society.



UNGC's 10 principles	
Human Rights	<b>Principle 1:</b> Businesses should support and respect the protection of internationally proclaimed human rights; and
	<b>Principle 2:</b> Make sure that they are not complicit in human rights abuses.
Labor	<b>Principle 3:</b> Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
	<b>Principle 4:</b> The elimination of all forms of forced and compulsory labor;
	<b>Principle 5:</b> The effective abolition of child labor; and
	<b>Principle 6:</b> The elimination of discrimination in respect of employment and occupation.
Environment	<b>Principle 7:</b> Businesses should support a precautionary approach to environmental challenges;
	<b>Principle 8:</b> Undertake initiatives to promote greater environmental responsibility; and
	<b>Principle 9:</b> Encourage the development and diffusion of environmentally friendly technologies.
Anti-Corruption	<b>Principle 10:</b> Businesses should work against corruption in all its forms, including extortion and bribery.

# Company Profile and Stock Information

## Company Profile (As of March 31, 2023)

<b>Company name</b>	Mitsubishi Logistics Corporation
<b>Head Office</b>	Nihonbashi Dia Building, 19-1, Nihonbashi 1-chome, Chuo-ku, Tokyo 103-8630, Japan
<b>Establishment</b>	April 15, 1887
<b>Capital</b>	¥22,393 million
<b>Number of employees</b>	4,708 (non-consolidated: 957)
<b>Branches</b>	Tokyo, Yokohama, Nagoya, Osaka, Kobe, Fukuoka
<b>Major Businesses</b>	<p><b>Logistics</b> Warehousing; trucking; port and harbor transportation; international transportation; marine freight transportation; customs clearance; development, sales, management and administration of logistics information systems; etc.</p> <p><b>Real Estate</b> Buying, selling, leasing and management of real estate; contracting of construction work, its design and supervision; operation of parking lots; etc.</p>

### Companies in the scope of consolidation (as of August 31, 2023)

**Consolidated subsidiaries (50 companies)**  
 MLC Ventures, Ltd., MLC Innovation First Limited Partnership, Tohoku Ryoso Transportation Co., Ltd., Sairyo Service Co., Ltd., Dia Pharmaceutical Network Co., Ltd., Tokyo Dia Service Co., Ltd., Dia Systems Corporation, Ryoso Transportation Co., Ltd., Unitrans Ltd., Keihin Naigai Forwarding Co., Ltd., Touroyo Kigyo Co., Ltd., Fuji Logistics Co., Ltd., Tokyo Juki Transport Co., Ltd., SII Logistics Inc., Fuji Logistics Support Co., Ltd., Kinko Service Co., Ltd., Chubu Trade Warehousing Co., Ltd., Meiryō Kigyo Co., Ltd., Ryoyo Transportation Co., Ltd., Kyokuryo Warehouse Co., Ltd., Hanryo Kigyo Co., Ltd., Shinryo Koun Co., Ltd., Naigai Forwarding Co., Ltd., Kyushu Ryoso Transportation Co., Ltd., Monryo Transport Corporation, Hakuryo Koun Co., Ltd., Seiho Kaiun Kaisha, Ltd., Saryo Service Co., Ltd., Mitsubishi Logistics America Corporation, Mitsubishi Warehouse California Corporation, Project Hermes Holding Company, Mitsubishi Logistics Europe B.V., Fuji Logistics Europe B.V., Mitsubishi Logistics China Co., Ltd., Shanghai Qingke Warehouse Management Co., Ltd., Shanghai Linghua Logistics Co., Ltd., Shanghai Linghua Qingsheng Logistics Co., Ltd., Shanghai Lingyun Global Forwarding Co., Ltd., Fuji Logistics (China) Co., Ltd., Fuji Logistics (Shanghai) Co., Ltd., Mitsubishi Logistics Hong Kong Ltd., Fuji Logistics (H.K.) Co., Ltd., Mitsubishi Logistics Thailand Co., Ltd., P.T. Mitsubishi Logistics Indonesia, P.T. DIA-JAYA FORWARDING INDONESIA, Fuji Logistics Malaysia SDN.BHD., Dia Buil-Tech Co., Ltd., Yokohama Dia Building Management Corporation, Kobe Dia Maintenance Co., Ltd., T'ACT Co., Ltd.

### Affiliated companies accounted for by the equity method (4 companies)

MY Terminals Holdings, Limited, Kusatsu Soko Co., Ltd., Jupiter Global Limited, In Do Trans Logistics Corporation

## Stock Information (as of March 31, 2023)

### Status of stocks

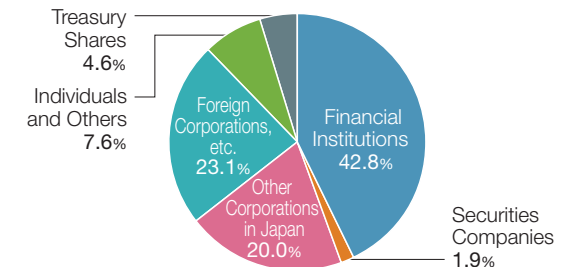
<b>Authorized shares</b>	Common stock 220,000,000
<b>Number of shares issued</b>	Common stock 81,960,739
<b>Number of shareholders</b>	7,764
<b>Stock exchange listing</b>	Prime Market of the Tokyo Stock Exchange
<b>Securities code</b>	9301

Major shareholders	Number of shares held (Thousands)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (trust account)	14,904	19.1
Custody Bank of Japan, Ltd. (trust account)	6,631	8.5
Meiji Yasuda Life Insurance Company	5,153	6.6
MITSUBISHI ESTATE CO., LTD.	3,665	4.7
STATE STREET BANK AND TRUST COMPANY 505001	2,606	3.3
Tokio Marine & Nichido Fire Insurance Co., Ltd.	2,041	2.6
MUFG Bank, Ltd.	1,505	1.9
TAKENAKA CORPORATION	1,505	1.9
NIKON CORPORATION	1,156	1.5
BNYM AS AGT/CLTS NON TREATY JASDEC	1,109	1.4

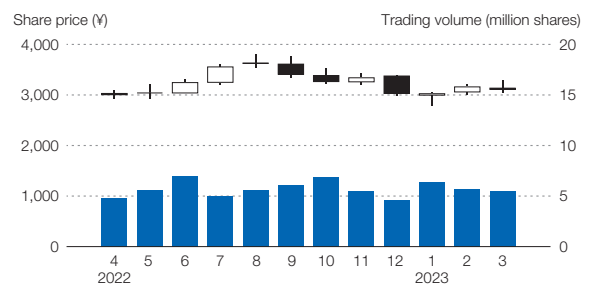
#### Notes:

- In addition to the above, the Company holds 3,780 thousand shares of treasury shares.
- MUFG BANK, Ltd. has set 375,000 Mitsubishi Logistics' shares as trust funds for retirement benefits for which voting rights are reserved, in addition to the shares stated in the table above.
- The "Shareholding ratio" is calculated after excluding treasury shares (3,780,230 shares).

### Classification by types of shareholders



### Changes in share price (as of August 31, 2023)



## External Evaluation



FTSE Blossom Japan Sector Relative Index



2023 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)



DX 注目企業2023 Digital transformation



## Web Site

### Corporate site

<https://www.mitsubishi-logistics.co.jp/english/>



### Logistics service site (in Japanese only)

<https://service.mitsubishi-logistics.co.jp/>



### Official Youtube Channel

[https://www.youtube.com/channel/UCTVrDsqrzQ\\_NYQNT6\\_BIZ4g](https://www.youtube.com/channel/UCTVrDsqrzQ_NYQNT6_BIZ4g)





## Mitsubishi Logistics Corporation

Sustainability Promotion Team,  
Sustainability Promotion Division  
Nihonbashi Dia Building  
19-1, Nihonbashi 1-chome, Chuo-ku, Tokyo 103-8630, Japan  
TEL: +81-3-3278-6451  
FAX: +81-3-3278-6694





# Extended version

The following are some data related to the Mitsubishi Logistics Integrated Report 2023, which was collected at the end of fiscal 2022.

## Environment

		Fiscal 2020	Fiscal 2021	Fiscal 2022	Scope of aggregation
<b>Energy use</b>					
LP (Liquefied Petroleum) gas	(kg)	65,766	61,710	59,084	Mitsubishi Logistics Corporation, Fuji Logistics Co., Ltd., Ryoso Transportation Co., Ltd.
Heated water	(MJ)	2,562,699	2,966,207	2,556,847	
Petroleum (gasoline)	(l)	49,996	49,662	48,850	
Diesel oil	(l)	1,309,752	1,424,154	1,440,098	
Heavy oil (Heavy oil A)	(l)	25,681	37,685	24,740	
Steam	(MJ)	3,355,312	4,435,527	3,470,882	
Electricity	(kWh)	124,483,680	125,697,437	127,749,229	
City gas	(Sm <sup>3</sup> )	461,654	487,047	475,006	
Cold water	(MJ)	44,555,090	45,442,021	48,151,275	
Total	(GJ)	574,057	586,461	594,595	
<b>CO<sub>2</sub> emissions</b>					
Scope1* <sup>1</sup>	(t-CO <sub>2</sub> )	4,771	5,136	5,111	Mitsubishi Logistics Corporation, Fuji Logistics Co., Ltd., Ryoso Transportation Co., Ltd.
Scope2* <sup>1</sup>	(t-CO <sub>2</sub> )	52,883	54,071	50,322	
<b>Water</b>					
Tap water	(m <sup>3</sup> )	436,921	424,482	400,477	Mitsubishi Logistics Corporation
Rainwater	(m <sup>3</sup> )	5,266	5,579	50,416	
Water withdrawal	(m <sup>3</sup> )	442,187	430,061	450,893	
Water discharge	(m <sup>3</sup> )	442,187	430,061	450,893	
<b>Waste</b>					
Waste emissions	(tons)	4,453	4,659	5,745	Mitsubishi Logistics Corporation
Waste emissions	(m <sup>3</sup> )	7,195	4,789	6,231	
<b>Other</b>					
Number of CFCs Calculated Leakages	(t-CO <sub>2</sub> )	719	664	893	Mitsubishi Logistics Corporation
Number of facilities that obtained CASBEE* <sup>2</sup> rank A or higher	(facilities)	18	18	19	
Number of facilities accredited under the Act on Advancement of Integration and Streamlining of Distribution Business	(facilities)	11	11	11	
DP-Cool service CO <sub>2</sub> emission intensity	(kg-CO <sub>2</sub> /(t-m))	1.24	1.00	1.02	Dia Pharmaceutical Network Co., Ltd.

\*1 To reflect the effect of CO<sub>2</sub> emission reductions due to the introduction of real renewable energy, the calculation method has been revised from this fiscal year.

\*2 Comprehensive Assessment System for Built Environment Efficiency

## Extended version

### Society

			Fiscal 2020	Fiscal 2021	Fiscal 2022
Number of employees	(Men)	(persons)	636	648	623
	(Women)	(persons)	360	366	334
	(Total)	(persons)	996	1,014	957
Number of Group employees	(Total)	(persons)	4,625	4,732	4,708
Number of temporary Group employee	(Total)	(persons)	2,570	2,508	2,703
Total of new graduate recruits	(Men)	(persons)	29	25	19
	(Women)	(persons)	22	14	12
	(Total)* <sup>1</sup>	(persons)	51	39	31
Ratio of mid-career recruits to regular employees* <sup>2</sup>		(%)	19	15	28
Average length of service	(Men)	(years)	15.1	15.1	15.3
	(Women)	(years)	16.8	16.9	17.3
	(Overall)	(years)	15.7	15.7	16.0
Ratio of female managers* <sup>3</sup>		(%)	–	2.7	2.6
Number of employees with disabilities* <sup>4</sup>		(persons)	15	16	17
Ratio of employees with disabilities* <sup>4</sup>		(%)	1.84	2.00	2.05
Monthly average overtime		(hours)	13.55	16.45	16.93
Ratio of employees taking paid leave* <sup>5</sup>		(%)	51.2	60.0	65.3
Number of employees taking child-care leave	(Men)* <sup>6</sup>	(persons)	1	6	13
	(Women)* <sup>6</sup>	(persons)	9	16	10
	(Total)	(persons)	10	22	23
Ratio of employees taking child-care leave	(Men)* <sup>6</sup>	(%)	5.0	21.4	43.3
	(Women)* <sup>6</sup>	(%)	83.3	123.1	90.9
	(Overall)	(%)	34.4	53.7	56.1
Number of employees using reduced working hours system		(persons)	30	22	17
Number of employees using nursing care leave system		(persons)	0	1	1
Number of employees using general care leave system		(persons)	20	46	35
Number of employees using family care leave system		(persons)	10	14	21
Ratio of new employees retained after three years	(Men)	(%)	96.6	96.2	89.7
	(Women)	(%)	94.4	100.0	95.5
	(Overall)	(%)	95.7	97.9	92.2
Number of mid-career recruits	(Men)	(persons)	16	7	11
	(Women)	(persons)	5	1	5
	(Total)	(persons)	21	8	16
Ratio of employees undergoing health checkups		(%)	97.9	98.5	98.4
Ratio of employees undergoing stress checks		(%)	82.1	79.3	81.1
Number of occupational accidents* <sup>7</sup>		(cases)	–	–	11
Occupational accident frequency rate* <sup>7,8</sup>			–	–	0.896
Occupational accident intensity rate* <sup>7,9</sup>			–	–	0.015

\*1 As of April 1, 2023. \*2 According to the definition in the Act on Comprehensive Promotion of Labor Policies. \*3 As of March 31, 2023. \*4 As of June 1, 2022.

\*5 Including contract employees from FY2021. \*6 As defined by the Act on Childcare Leave/Caregiver Leave. \*7 Mitsubishi Logistics Corporation and its domestic Group companies.

\*8 Number of fatalities and injuries due to work-related accidents (with at least one day of absence from work) per million total actual working hours. \*9 Number of lost workdays per 1,000 total working hours

## Governance

		Fiscal 2020	Fiscal 2021	Fiscal 2022
Board of Directors	(times)	12	12	12
Board of Corporate Auditors	(times)	16	16	17
Number of Directors (of which women)	(persons)	14 (0)	13 (1)	13 (1)
Number of independent Outside Directors (of which women)	(persons)	3 (0)	5 (1)	5 (1)
Ratio of independent Outside Directors	(%)	21.4	38.5	38.5
Number of Corporate Auditors	(persons)	5	5	5
Number of independent Outside Corporate Auditors	(persons)	3	3	3
Ratio of independent Outside Corporate Auditors	(%)	60.0	60.0	60.0

## Information security

		Fiscal 2020	Fiscal 2021	Fiscal 2022
Number of respondents to information security questionnaire*	(persons)	3,526	3,531	3,512

\*Including Group companies

## Compliance

		Fiscal 2020	Fiscal 2021	Fiscal 2022
Number of reports to the Compliance Reporting Desk* <sup>1</sup>	(cases)	11	14	24
CSR and compliance awareness survey* <sup>1</sup>	(persons)	3,600	3,569	3,574
Number of people who participated in the Code of Conduct questionnaire* <sup>1</sup>	(persons)	4,404	4,416	4,726
Number of participants in human rights training	(persons)	— * <sup>2</sup>	43	39
Number of persons who participated in compliance lecture for prevention of insider trading	(persons)	88	58	109
Number of persons who participated in compliance lecture for the Subcontract Act* <sup>1</sup>	(persons)	2,061	2,151	2,211

\*<sup>1</sup> Including Group companies

\*<sup>2</sup> Not implemented in FY2020 due to the impact of COVID-19

## Anti-Corruption Related

		Fiscal 2020	Fiscal 2021	Fiscal 2022
Political contributions*	(yen)			500,000
Number of employees disciplined or terminated due to violations of anti-corruption policies	(persons)	—	—	—
Fines, penalties, and settlement costs related to corruption	(yen)	—	—	—

\* Political fund balance reports (Ministry of Internal Affairs and Communications website)